

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Council Members

FROM/PHONE: William F. Underwood, II/797-1050
Document Prepared by: William F. Underwood, II

SUBJECT: Forensic Auditor Presentation

AFFECTED DISTRICT: Townwide

REPORT IN BRIEF: Pursuant to Council direction the Finance Department prepared a request for qualifications that was approved with changes at the regular council meeting of February 15, 2006. The Purchasing Division placed the advertisement in the local newspaper, on the Town's webpage and submitted twenty RFQ's to various interested firms.

The Town received four proposals (attached hereto) and randomly selected the order for presentation:

- Berman Hopkins Wright & LaHam, CPA, LLP
- Mayer Hoffman McCann, P.C.
- Moore Stephens Lovelace, P.A.
- Crowe Chizek and Company LLC

PREVIOUS ACTIONS: Town Council previously discussed hiring a forensic auditor.

CONCURRENCES: N/A

FISCAL IMPACT: Currently unknown.

Has request been budgeted? No

RECOMMENDATION(S): Motion to rank forensic auditor firms and authorize the Budget & Finance Director and other Town staff to negotiate a scope of service and contract with the highest ranked firm. Once the scope of service and contract negotiations are completed the contract will be brought back to Council for approval.

Attachment(s):

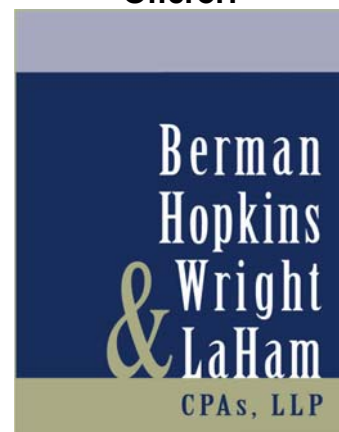
Request for Qualifications

Berman Hopkins Wright & LaHam, CPA, LLP
Mayer Hoffman McCann, P.C.
Moore Stephens Lovelace, P.A.
Crowe Chizek and Company LLC



**REQUEST FOR QUALIFICATIONS
FORENSIC AUDITING SERVICES
B-06-47**

Offeror:



Contact:

Ross A. Whitley, CPA, Partner

**307 E. New Haven Avenue, Suite One
Melbourne, FL 32901-4576**

**Telephone: (321) 727-2353
FAX: (321) 676-3923**

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March 14, 2006

LETTER OF TRANSMITTAL

Town of Davie
6591 Orange Drive
Davie, Florida 33314-3399

RE: REQUEST FOR QUALIFICATIONS (RFQ) NO. B-06-47 FORENSIC
AUDITING SERVICES

The partners and employees of Berman Hopkins Wright & LaHam, CPAs, LLP ("BHWL") thank you for allowing us to submit our proposal to conduct a forensic examination for the Town of Davie.

We have extensive experience with local governmental entities conducting financial and compliance audits and in conducting forensic examinations. Our experience extends beyond financial and compliance audits for governmental entities, to include agreed upon procedures to discover fraud. We also have two professional team members with CFE licenses.

BHWL has three offices to serve your needs. We plan on conducting this engagement out of our Brevard offices. The project manager responsible for administering this engagement will be Linda Crawford who can be reached at 321.727.2353 ext. 217.

The **Town of Davie** will be an important client to us. As the detailed proposal on the following pages will demonstrate, BHWL has the **EXPERIENCE, QUALITY**, and the **TEAM** to offer the best service to the **Town of Davie**. We offer you a team that has extensive experience auditing local governmental entities for many years.

We are professionals dedicated to providing outstanding service to your organization. We appreciate the opportunity to submit the enclosed proposal to you and welcome the opportunity to make a presentation. If you have any questions or wish to schedule a presentation, please contact me at 321.727.2353.

Respectfully,

Ross A. Whitley
RAW/mr
Enclosure

1. PROPOSED STAFFING AND PROJECT ORGANIZATION

PROPOSED STAFFING AND PROJECT ORGANIZATION

Staffing of Engagement

We have over 70 employees in our three offices available to meet your needs. The team we are committing to the Town of Davie represents highly qualified staff with many years of experience. All management personnel assigned to this engagement are CPAs and meet or exceed the governmental accounting education requirements.

The staff assigned to this engagement are:

Partners: *Ross A. Whitley, CPA, Partner-in-Charge*
 Brian L. Nemeroff, CPA, Partner /Technical Review/
 Consultation Partner

Team: *Linda A. Crawford, CPA, CFE, Manager/ Project Manager*
 Bob Lynch, CPA, CFE, CVA, Manager
 Heather Christmas, Senior
 Sean Cedar, Staff Accountant
 Jennifer Zimmer, Staff Accountant
 Jessica Haslow, Staff Accountant

The staff essential to the continuity of this engagement will be available throughout the contract period. In addition, we will make additional staff available to meet your needs as necessary.

The partner team will be assigned on a part-time basis to specific segments requiring their levels of experience and expertise. Our partners and managers each possess many years of experience. All staff and managers are available on a full-time basis. Detailed resumes are included in this proposal.

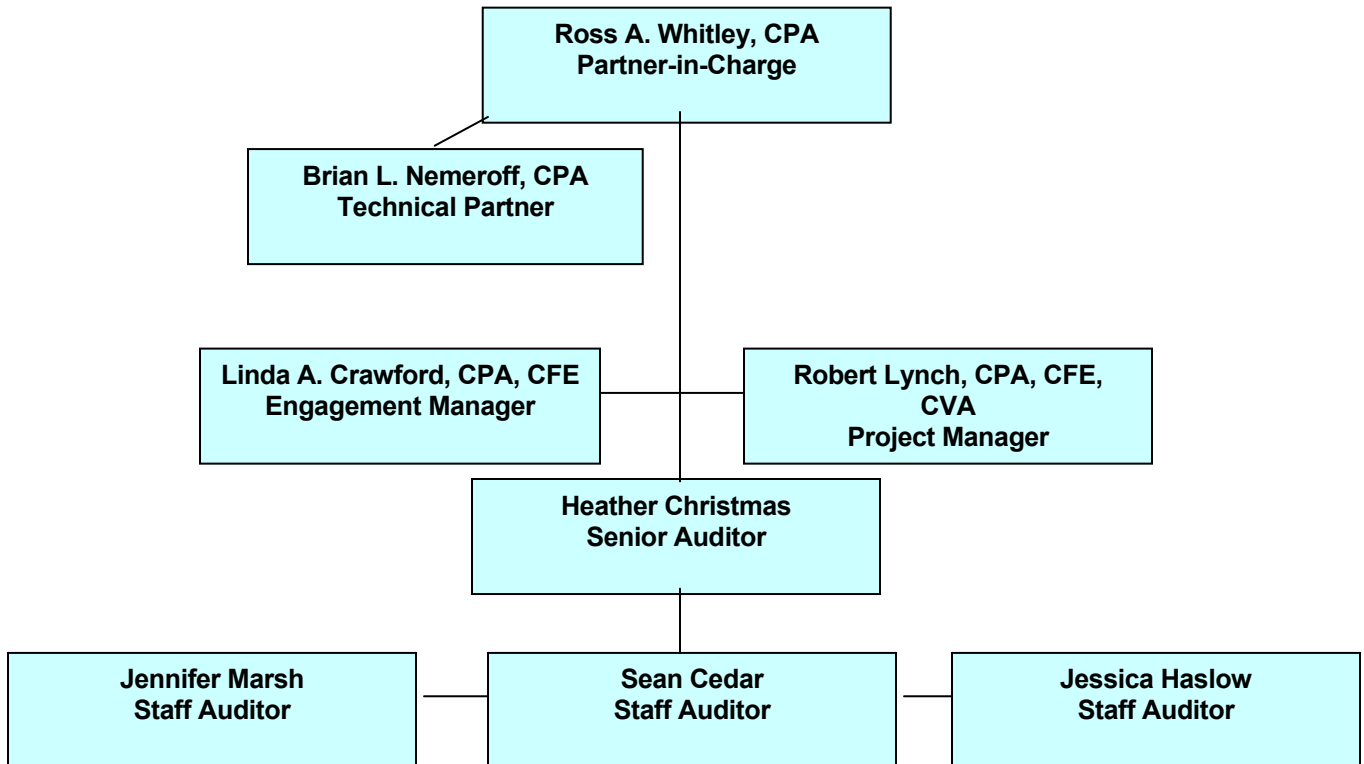
Linda Crawford, Manager will be designated as the Project Manager and will be available throughout the term of the engagement to lead the team and act as the primary client contact. It is the responsibility of Bob Lynch to conduct interviews and relate their expertise in designing tests to satisfy the Town of Davie's requirements.

All of our professional staff are computer literate and are provided a laptop computer with state-of-the-art software and a portable printer that enhance the quality and efficiency of our work. Our traveling staff have statistical sampling software, auditing programs, research documents and technical pronouncements all in electronic format. Furthermore, we frequently expedite the engagement process by the use of email and remote internet access.

PROPOSED STAFFING AND PROJECT ORGANIZATION

Team Organizational Chart

The Project Manager will maintain complete job monitoring and will report to the Town of Davie management at regular intervals, as specified by Town management, as work progresses.



2. & 3. FIRM QUALIFICATIONS AND RELATED EXPERIENCE

FIRM QUALIFICATIONS AND RELATED EXPERIENCE

Berman Hopkins Wright & LaHam CPAs, LLP is qualified in performing the required services. We have extensive experience and knowledge conducting financial and compliance audits for performing forensic examinations. Berman Hopkins Wright & LaHam CPAs, LLP ("BHWL") is a Registered Limited Liability Partnership and has been doing business as a Certified Public Accounting and Business Consulting firm since 1958 in Brevard County, Florida. We are a Central Florida firm with three offices: Orlando, Melbourne and Merritt Island.

We have become one of the largest and most respected CPA and consulting firms in Central Florida. The exceptional reputation that we have earned in the community is the result of hard work and commitment to quality service by all our staff. There are over 70 BHWL team members ready to serve your accounting, auditing and management needs.

Berman Hopkins Wright & LaHam CPAs, LLP is a firm with international accounting resources through membership in the International Group of Accounting Firms (IGAF). Our business network offers you the capability of obtaining pertinent information that will assist you in any business opportunity you may encounter. Our IGAF business network has over 300 accounting offices around the world.

Our primary market service includes governmental auditing for counties, cities, towns and special purpose governments, corporate audits including SEC corporations, construction contractors, dealerships and non-profits and forensic accounting engagements. BHWL also provides consulting services for SEC Sarbanes-Oxley internal control consulting, and various tax related services.

BHWL has extensive experience with performing many different types of governmental audits as evidenced below.

Current and Prior Governmental Audit Clients:

All of the clients below are/were audits performed in accordance with Government Auditing Standards

<u>Cities and Towns</u>	<u>Years</u>
City of Cocoa Beach	3
City of Indian Harbour Beach	30
Town of Malabar	4
Town of Indian River Shores	4
City of Cocoa	5
Town of Indialantic	20
City of Palm Bay	5

FIRM QUALIFICATIONS AND RELATED EXPERIENCE

Current and Prior Governmental Audit Clients (continued):

<u>County Government</u>	<u>Years</u>
Brevard County Board of County Commissioners	25
Brevard County Clerk of the Circuit and County Courts	25
Brevard County Property Appraiser	25
Brevard County Sheriff	25
Brevard County Supervisor of Elections	25
Brevard County Tax Collector	25
Okeechobee County Board of County Commissioners	25
Martin County Tax Collector	25
South Brevard Water Authority	25
<u>Other Local Governments</u>	
Jacksonville Transportation Authority	3
Jacksonville Port Authority	2
Ocean Highway Port Authority	3
Florida Space Authority	3
A. Max Brewer Memorial Law Library	25
Brevard Mosquito Control District	25
Brevard Transportation Authority	25
Spessard Holland Golf Complex	35
Technological Research and Development Authority	5
Florida Housing Authorities Risk Management Insureds	10
<u>Tax Districts</u>	
Merritt Island Library Tax District	20
Port Malabar Holiday Park Recreation District	4
Bellalago Educational Benefit District	2

FIRM QUALIFICATIONS AND RELATED EXPERIENCE

County Government (continued) Years

Durbin Crossing Community Development District 1

North Brevard Public Library District 2

Housing Authorities

Jacksonville Housing Authority 6

The Housing Authority of the City of Fort Lauderdale 2

Tampa Housing Authority 4

Pinellas County Housing Authority 2

The Brevard Family of Housing Authorities (Melbourne, Cocoa and
Brevard County) 4

Tallahassee Housing Authority 2

Clearwater Housing Authority 4

Housing Authority of the City of Daytona Beach 3

Housing Authority of the City of Fort Pierce 2

Boca Raton Housing Authority 3

Housing Authority of the City of Sanford 3

Housing Authority of the City of Marianna 4

The Housing Authority of the City of St. Petersburg 4

Charter Schools - (Varies in years)

Ten charter schools in Osceola County

Three charter schools in Broward County

One charter school in Palm Beach County

One charter school in Hillsborough County

Four charter schools in Brevard County

Two charter schools in Lake County

One charter school in Okaloosa County

Six charter schools throughout the State of Arizona

FIRM QUALIFICATIONS AND RELATED EXPERIENCE

All of the clients below are/were agreed-upon procedures performed in accordance with Government Auditing Standards:

Other Local Government)

Years

Space Coast Area Transit System

2

Jacksonville Transportation Authority

3

Current and Prior Fraud Examination Clients:

Pending Litigations (CONFIDENTIAL INFORMATION)

Name of Entity

Years

A Florida County Clerk of Court

2 months

Type of service performed: Assist Clerk personnel with investigating the extent of the embezzlement by the Finance Manager. Clerk personnel identified over \$1 million in stolen funds. We assisted with determining whether other types of fraud has occurred and provided a draft report to the attorney on the nature of the theft as expert witness documentation. The case is still pending.

Shareholder Dispute (civil action – confidentiality agreement in place):

3 months

Hired as forensic accountant to review and analyze the financial records of the company to determine if fraudulent transactions and misappropriation of company assets took place

Forensic examination in a civil action against a construction contractor

3 months

Hired to examine AIA reports, purchase orders, draw requests, contractor agreements to determine the extent of fraudulent transactions in the construction of personal residence with over \$1.5 million in cost overruns.

In addition to the above, BHWL has been hired by the City of Los Angeles Housing Authority to be part of a team of CPA firms conducting a forensic investigation of the Authority. Our involvement is part of a joint-venture with a local Los Angeles firm. The engagement has not yet started.

Completed Forensic Examinations:

Name of Entity

Years

Florida Space Authority

1

Type of service performed: Forensic investigation of Accounting Manager's embezzlement of over \$100,000 in electronic transfers, forged employee checks, vendor checks, pay rate and hours, and petty cash. We provided expert witness testimony for State Attorney prosecuting case. Perpetrator sentenced to 18 months in jail.

A Florida Special District

1

Type of service performed. Forensic consulting related to allegations of missing funds. Assisted with internal control weaknesses.

FIRM QUALIFICATIONS AND RELATED EXPERIENCE

Completed Forensic Examinations (continued):

<u>Name of Entity</u>	<u>Years</u>
Aquamarine, Inc. Bankruptcy Case: <i>Type of service performed:</i> Appointed Examiner by the Federal Bankruptcy Court of Middle District of Florida to perform forensic examination of Aquamarine, Inc accounting records for fraudulent transfers of company assets and to locate hidden assets.	2
Locus Locations Systems, LLC <i>Type of service performed:</i> Assistance with determination of fraud relating to intellection property.	1 month
Tampa Housing Authority <i>Type of service performed:</i> Forensic/Fraud Agreed-Upon Procedures for the Section 8 Housing Choice Voucher Program.	1
Pinellas County Housing Authority <i>Type of service performed:</i> Agreed-Upon Procedures dealing with Fraud concerning the Authority including their Assisted Living Facility. Worked closely with HUD Inspector General, A-133 Audit.	1
Housing Authority of the City of Marianna <i>Type of service performed:</i> Audit meeting the requirements of HUD, Single Audit Act of 1997, Federal OMB Circular A-133 and REAC FDS online and 2002 audit included E.D. termination and Fraud Allegations. Negotiated contract with HUD directly.	4
Housing Authority of the City of Sanford <i>Type of services performed:</i> Troubled agency – Financial and Compliance Audit meeting the requirements of HUD, Single Audit Act of 1997, Federal OMB Circular A-133 and REAC FDS online. Worked with HUD Receiver.	3
Florida Auditor General <i>Type of services performed:</i> Over 30 years agreed-upon/fraud engagements concerning reimbursement program for the State of Florida petroleum cleanup program.	4

Litigation Support::

B. Lynch, CPA, CFE, CVA

- Aquamarine USA, Inc. Bankruptcy Case, (U.S. Bankruptcy Court of the Middle District of Central Florida).
- SunTrust Bank vs. Ms. Cindy Mayfield – Worked for Receiver hired by SunTrust to review Ms. Mayfield's financial records looking for preferential transfers because defendant had stopped making court ordered restitution payment to SunTrust.
- JT Callahan – case involving subcontractor Power Engineering Group (PEG) for false billings to the Orlando Airport.
- Michael Reimenschneider, attorney at law, worked on shareholder dispute against President of EMTEL, Inc. – investigating what happened to \$400,000 in venture capital contributed to company.

FIRM QUALIFICATIONS AND RELATED EXPERIENCE

Litigation Support: (continued):

S. Bierbrunner, CPA, CFP, MST

- JT Callahan & Sons vs. GOAA (Greater Orlando Airport Authority) - Examining job cost records to substantiate change order claims. We represented the general contractor against the airport, and then helped the general contractor against the subcontractor.

4. PEER REVIEW

PEER REVIEW

Quality Control & Peer Review

The work performed by Berman Hopkins Wright & LaHam, CPAs, LLP is enhanced by our own quality control program and annual monitoring of BHWL's procedures as specified in our *Quality Control Document*.

Our quality control process insures our Certified Public Accountants (CPAs) and staff accountants meet or exceed the continuing professional education requirements of the Florida Board of Accountancy, the Government Auditing Standards, the American Institute of CPAs, and BHWL's *Quality Control Document*, and is designed to ensure that applicable auditing standards are followed.

We are members of the AICPA's Security Exchange Commission Practice Section (SECPS) and Private Companies Practice Section (PCPS), which require a "Peer Review" by an independent third party every three (3) years. A Peer Review is a review and evaluation of a firm's work papers, reports and policies by a team of CPAs from other CPA firms.

BHWL team member, Ross A. Whitley, Partner, is experienced in performing quality (peer) reviews of other certified public accounting firms. He is registered with both the American Institute of CPAs and the International Group of Accounting Firms as a qualified "Quality (Peer) Reviewer".

We are in compliance with the most recent Peer Review performed in 2003. The Peer Review letter is on the following pages.

PEER REVIEW



2250 Satellite Blvd., Suite 115, Duluth, GA USA 30097-4075

P 1-678-417-7730

E Americas@igaf.org

F 1-678-417-6977

I www.igaf.org

Toll Free in USA **1-800-CPA-IGAF** (1-800-272-4423)

Member Firms in Principal Cities Throughout the World

September 24, 2003

To the Partners of
Berman Hopkins Wright and Laham, CPA's, LLP
And the SEC Practice Section Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Berman Hopkins Wright and Laham, CPA's, LLP (the firm) in effect for the year ended April 30, 2003. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statement on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. In addition, the firm has agreed to comply with the membership requirements of the SEC Practice Section of the AICPA Division for CPA Firms (the Section). Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system and the Section's membership requirements based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Section and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it or with the membership requirements of the Section since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Berman Hopkins Wright and Laham, CPA's, LLP in effect for the year ended April 30, 2003, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards. Also, in our opinion, the firm complied during that year with the membership requirements of the Section in all material respects.

As is customary in a peer review, we have issued a letter under this date that sets forth a comment relating to certain policies and procedures or compliance with them. The matter described in the letter was not considered to be of sufficient significance to affect the opinion in this report.

A handwritten signature in black ink, reading "Keith E. Martin". The signature is written in a cursive style.

Keith E. Martin
Team Captain

European Office
Storkstraat 26, PO Box 102, 3830 AC Leusden,
The Netherlands
P +31-33-495-0844 F +31-33-495-2626
E jcaarup@igafnl.com

Asia Pacific Office
95 South Bridge Road #06-15, Pidemco Centre, Singapore 058717
P +65-5330332 F +65-5330032
E angco@singnet.com.sg

Latin American/Caribbean Office
Av. Córdoba 1255, Buenos Aires, Argentina C1055AAC
P +54-11-4816-1221 F +54-11-4815-7878
E ebravo@bravopas.com

PEER REVIEW



2250 Satellite Blvd., Suite 115, Duluth, GA USA 30097-4075

P 1-678-417-7730 E Americas@igaf.org
F 1-678-417-6977 I www.igaf.org

Toll Free in USA **1-800-CPA-IGAF** (1-800-272-4423)

Member Firms in Principal Cities Throughout the World

September 24, 2003

To the Partners of
Berman Hopkins Wright and Laham, CPA's, LLP
and the SEC Practice Section Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Berman Hopkins Wright and Laham, CPA's, LLP (the firm) in effect for the year ended April 30, 2003, and have issued our report thereon dated September 24, 2003. The matter described below was not considered to be of sufficient significance to affect the opinion expressed in that report, which should be read in conjunction with this letter.

Engagement Performance

Comment – The firm's quality control policies and procedures require documentation of audit planning considerations and the extent of audit tests performed. Some engagements reviewed did not include adequate documentation of these areas. We were able to satisfy ourselves that these procedures were performed in accordance with professional standards through discussion with engagement personnel.

Recommendation – The firm should re-emphasize at a staff training session its engagement performance policy with respect to documentation of audit planning considerations and the extent of audit tests performed. All partners should be advised to monitor compliance with this policy when reviewing audit workpapers.

A handwritten signature in black ink, reading "Keith E. Martin".

Keith E. Martin
Team Captain

European Office
Storksstraat 26, PO Box 102, 3830 AC Leusden,
The Netherlands
P +31-33-495-0844 F +31-33-495-2626
E jcaarup@igafnl.com

Asia Pacific Office
95 South Bridge Road #06-15, Pidemco Centre, Singapore 058717
P +65-5330332 F +65-5330332
E angco@singnet.com.sg

Latin American/Caribbean Office
Av. Córdoba 1255, Buenos Aires, Argentina C1055AAC
P +54-11-4816-1221 F +54-11-4815-7878
E ebravo@bravopas.com

5., 6. & 7. PERSONNEL PROFESSIONAL AND EDUCATIONAL QUALIFICATIONS AND EXPERIENCE

TECHNICAL QUALIFICATIONS OF ROSS A. WHITLEY, CPA Partner-In-Charge

ROSS A. WHITLEY, CPA
Partner-in-Charge

Education

Louisiana State University
B.S. in Accounting

Certifications

Certified Public Accountant
State of Florida, 1988
State of Louisiana, 1987
Certified Valuation Analyst - NACVA, 1995

Professional Experience

Mr. Whitley has over 20 years of accounting, auditing and tax experience. He is a governmental auditor and consultant in addition to providing audit services to employee benefit plans of companies, unions, government and nonprofit organizations. Through the AICPA's Peer Review Program, he has performed peer reviews of other Certified Public Accounting firms, including governmental engagements, since 1990. Mr. Whitley's governmental accounting and auditing experience includes, yet is not limited to the following:

Governmental Auditing Experience		
Years on the Job	Position	Client
10	Technical Partner/ Manager	Brevard County, Florida
Varies	Varies	Numerous audits of municipalities and school boards in both Florida and Louisiana
10	Partner/ Manager	Town of Indialantic
15	Partner/ Manager	City of Indian Harbour Beach
6	Partner/ Manager	ATU Local #1596 (Orange, Osceola and Seminole Transit Sytem)
4	Partner	Florida Auditor General Office
6	Partner	Numerous Charter School
4	Manager	City of Cocoa, Florida

Mr. Whitley has presented seminars and classes on various governmental accounting and finance issues. He has served as chairman of the finance committee for the town he resides in since 1993. He also serves as a technical reviewer for the Firm and, as such, reviews all OMB Circular A-133 engagements of the Firm.

Mr. Whitley is experienced in the analysis, design and implementation of accounting systems that comply with Florida Statutes.

Professional/Community Affiliations

- American and Florida Institutes of Certified Public Accountants
- International Group of Accounting Firms
- National Association of Certified Valuation Analysts
- Candlelighters of Brevard
- Leadership Brevard Alumni
- Melbourne Kiwanis Club
- South Brevard Habitat for Humanity
- Town of Melbourne Village Finance Committee
- Palm Bay Chamber of Commerce

TECHNICAL QUALIFICATIONS OF ROSS A. WHITLEY, CPA Partner-In-Charge

ROSS A. WHITLEY, CPA
Partner-in-Charge (Continued)

Professional Education

Mr. Whitley has completed the required hours of continuing professional education as required by Government Auditing Standards, the AICPA, the Florida Board of Accountancy, Florida Statutes, and BHWL's *Quality Control Document*. The following is a summary of continuing professional education for the prior three (3) years.

ROSS A. WHITLEY CONTINUING EDUCATION		
Date	Sponsor	Class
03-Jan-05	IGAF	A & A UPDATE INTERNAL CONTROL AUDITING
16-Dec-05	BHWL	A & A UPDATE
16-Dec-05	BHWL	A & A UPDATE/ speaker
08-Dec-05	BHWL	FINANCIAL STATEMENT CASE STUDY/ speaker
08-Dec-05	BHWL	FINANCIAL STATEMENT CASE STUDY
04-Aug-05	PCAOB	AUDITING IN THE SMALL BUSINESS ENVIRONMENT
12-May-05	BHWL	STAFF RETENTION
29-Apr-05	BHWL	GOVERNMENT A & A UPDATE
25-Feb-05	FDEP	A & A REHAB PROGRAM ATTESTATION
18-Jan-05	AICPA	PCAOB INSPECTION & SOX 404
09-Dec-04	BHWL	AUDITWATCH UPDATE
09-Nov-04	AICPA	2004 NATL BUSINESS VALUATION CONFERENCE
07-Oct-04	FDEP	PREAPPROVED SITE REHAB PROG. ATTESTATION
25-Aug-04	BHWL	SELF IMPROVEMENT
28-Jun-04	BHWL	CHARTER SCHOOL AUDIT TRAINING
17-Jun-04	BHWL	AUDIT EFFICIENCY FOR CONSTRUCTION INDUSTRY
16-Jun-04	BHWL	PLAN, CONDUCT, COMPLETE EFFICIENT GOVT AUDIT
30-Apr-04	BHWL	2004 GOVERNMENT A & A UPDATE
02-Mar-04	FICPA	HIGH SCHOOL COORDINATORS TRAINING
17-Feb-04	IGAF	A & A TELEPHONIC MEETING
17-Feb-04	IGAF	A & A TELEPHONIC MEETING (FASB 150)

(Governmental CPE In Bold)

TECHNICAL QUALIFICATIONS OF BRIAN L. NEMEROFF, CPA

Partner

BRIAN L. NEMEROFF, CPA
Partner

Education

Florida State University
B.S. in Accounting, 1992

Certification

Certified Public Accountant
State of Florida, 1994

Brian joined Berman Hopkins in 1992-1995 and again in 1998 to present. He has over 12 years of accounting, auditing and consulting experience.

Professional Affiliations

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants:

- A & A Committee – Member 3 years – Published article on SAS 96 – CPA Today, November 2003
- Government Section
 - Chair – State and Local Conference 8/2004
 - Subcommittee to rewrite the Government Compliance Guide
 - Steering Committee
 - Presented GASB 40 – Investing and Risk Disclosure 8/2004

International Group of Accounting Firms

Florida Association of Housing and Redevelopment Officials (FAHRO):

- Presented “Auditing Topics” at the finance workshop for FAHRO in February 2002 and “Accounting Issues” in August 2002.

GFOA (Brevard County):

- Presented “GASB No. 34” in February 2002 at the Space Coast Government Finance Officer’s Association (SCGFOA).
- The Certificate of Achievement in Excellence in Financial Reporting Program as technical reviewer of CAFRs. (Including New York City, NY Comprehensive Annual Financial Statement)
- Presented “Financial Resources” for GFOA in November 2002.
- Presented “SAS 99” for GFOA in January 2003.

Community Affiliations/Volunteer Work

Palm Bay Youth Soccer, Director; Bayside Players, Treasurer; Kiwanis Club of Palm Bay; Brevard Symphony Youth Orchestra, Board Member.

Experience in U.S. Department of HUD programs and activities and audits including individual transactions, HUD funding requests, and HUD reports for:

- Conventional Program
- Section 8 programs
 - Voucher/Certification
 - New Construction
 - Moderate Rehabilitation
- Economic Development Self Sufficiency and Family Self Sufficiency Program
- Capital Grants (CFP and CGP), CDBG, Hope VI and PH Drug Elimination
- HOPWA
- Conventional & Section 8 Tenant Files
- Affordable Housing Programs and Component Units
- Acquisition, Special Operations and Bond Funds

TECHNICAL QUALIFICATIONS OF BRIAN L. NEMEROFF, CPA Partner

BRIAN L. NEMEROFF, CPA

Partner (Continued)

Range of Experience

Brian's governmental accounting and auditing experience includes, yet is not limited to the following:

Governmental Auditing Experience		
Years on the Job	Position	Client
<i>Department of Housing and Urban Development - Audit</i>		
6	Senior Auditor	Jacksonville Housing Authority
2	Senior Auditor	Housing Authority of the City of Tampa
2	Manager	
2	Staff Auditor	The Housing Authority of the City of St. Petersburg, Florida
5	Manager	Brevard Family of Housing Authorities: the City of Cocoa, the City of Melbourne, and Brevard County, FL
3	Manager	The Marianna Housing Authority
2	Manager	Orlando Housing Authority
2	Manager	The Housing Authority of the City of Sanford, Florida
2	Manager	Clearwater Housing Authority
2	Manager	The Housing Authority of the City of Daytona Beach, Florida
2	Manager	Boca Raton Housing Authority
1	Manager	Fort Pierce Housing Authority
1	Manager	Tallahassee Housing Authority
2	Staff Auditor	The Housing Authority of the City of Dania, Florida
<i>HUD Consulting Engagements - Agreed Upon Procedures</i>		
1	Senior Auditor	The Housing Authority of the City of Tampa - Fee Accounting
4	Manager	St. Petersburg Housing Authority - Compliance Testing
1	Manager	Pinellas County Housing Authority
1	Manager	Palatka Housing Authority
<i>Governmental Audits</i>		
2	Senior Auditor	Brevard County Board of County Commissioners
2	Staff Auditor	
1	Staff Auditor	Town of Indialantic
1	Staff Auditor	City of Cocoa, Florida
1	Staff Auditor	City of Indian Harbour Beach
<i>Non-profit OMB A-133 Audits</i>		
3	Senior Auditor	Child Care Association of Brevard County, Inc.
1	Senior Auditor	Prenatal Infant & Health Care Coalition
<i>Non-profit Audits</i>		
7	Manager	Trinity Towers, Inc. (East, West, and South) (HUD Multifamily)
2	Manager	Habitat for Humanity of South Brevard
2	Staff Auditor	Big Brother/Big Sisters of Brevard, Inc.

TECHNICAL QUALIFICATIONS OF BRIAN L. NEMEROFF, CPA Partner

BRIAN L. NEMEROFF, CPA
Partner (Continued)

Professional Education

Completed in excess of the required hours of continuing professional education (CPE) of the Government Auditing Standards (2003 revision, as amended); the American Institute of CPAs; the Florida Board of Accountancy; and Berman Hopkins Wright & LaHam, CPAs, LLP's Personnel Guide.

Brian L. Nemeroff Manager Continuing Education		
Date	Sponsor	Class
16-Aug-04	FICPA	STATE AND LOCAL CONFERENCE - Chair and Speaker
17-Jun-04	BHWL	AUDIT WATCH
30-Apr-04	BHWL	GOVERNMENT A & A UPDATE
27-May-03	BHWL	GOVERNMENT A & A UPDATE
18-Jan-03	BHWL	TAX UPDATE & FISH EXPERIENCE
16-Jan-03	BHWL	SAS 99 - Speaker
31-May-02	BHWL	GOVERNMENTAL A & A UPDATE
14-May-02	PPC	INTRODUCTION, MGMT DISC. & ANALYSIS & GOVT F/S
14-May-02	PPC	FUND FINANCIAL STATEMENTS
28-Feb-02	GFOA	GASB 34 OVERVIEW FOR NON-ACCOUNTANTS - Speaker
6-Feb-02	AUD.GENL	LOCAL GOVT FINANCIAL REPORTING
19-Jan-02	BHWL	TAX UPDATE & FISH EXPERIENCE
7-Dec-01	AICPA	MANAGING RISK
9-Nov-01	BHWL	HOUSING & URBAN DEVELOPMENT - Speaker
2-Nov-01	BHWL	PAPERLESS AUDIT
12-Oct-01	BHWL	STRATEGIC PLANNING, VALUE PRICING & TIMELESS CULTURE
30-Aug-01	BHWL	ACCOUNTING PRACTICE - SOFTWARE & QUALITY PROCESS
12-Jul-01	BHWL	ACCOUNTING FOR FIN. ASSETS & LIAB. - Speaker
14-Jun-01	FL DEP	SITE REAHABILITATION PROGRAM ATTESTATIONS
8-Jun-01	RECTOR	FINANCIAL REPORTING REQUIREMENTS - PHAs
22-May-01	FICPA	GOVERNMENTAL FINANCIAL STMT ISSUE
21-May-01	BHWL	ANNUAL GOVERNMENTAL A & A UPDATE
26-Jan-01	BHWL	PERFORMANCE VIEW
17-Nov-00	BHWL	PERFORMANCE VIEW, TAX & FINANCIAL REVIEW
5-Oct-00	BHWL	TECHNOLOGY UPDATE
14-Aug-00	BHWL	GAAP FINANCIAL STATEMENT DISCLOSURES

(Governmental CPE In Bold)

TECHNICAL QUALIFICATIONS OF LINDA A. CRAWFORD, CPA, CFE Manager

Education

University of Central Florida
BSBA - Accounting, 1986
Masters of Science - Accounting, 1994

Certification

Certified Public Accountant
State of Florida 1995
Certified Fraud Examiner

Professional Experience

Mrs. Crawford has over twenty (20) years of accounting, auditing and tax experience and currently serves as the Assurance & Advisory Manager in our Merritt Island office.

Mrs. Crawford has conducted several investigations, including two governmental entities and an apartment complex. **At one of the governmental entities, fraud was discovered that led to a conviction of eighteen months plus restitution. Mrs. Crawford discovered fraud in excess of \$100,000 and testified as the prosecution's expert witness.**

Mrs. Crawford also works with companies to design and implement internal controls to deter and detect occupational fraud and abuse. Mrs. Crawford is currently assisting companies with Sarbanes-Oxley 404 compliance requirements.

Mrs. Crawford's governmental accounting and auditing experience includes, yet is not limited to, the following:

Governmental Auditing Experience		
Years on the Job	Position	Client
3	Senior/Manager	Brevard County, Florida
4	Manager	Jacksonville Transportation Authority
2	Manager	Jacksonville Port Authority
3	Manager	Ocean Highway and Port Authority of Nassau County
3	Manager	City of Cocoa Beach, Florida
4	Senior/Manager	Florida Space Research Institute
3	Senior/Manager	Child Care Association of Brevard County, Inc.
2	Manager	Merritt Island Public Library
3	Senior/Manager	Florida Space Authority
1	Manager	University of North Florida Foundation, Inc.
1	Manager	University of North Florida Training Services Institute, Inc.

TECHNICAL QUALIFICATIONS OF LINDA A. CRAWFORD, CPA, CFE Manager

Professional/Community Affiliations

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- International Group of Accounting Firms

LINDA A. CRAWFORD CONTINUING EDUCATION		
Date	Sponsor	Class
16-Dec-05	BHWL	A & A UPDATE
15-Nov-05	FICPA	FRAUD INVEST IN GOV'T ENV-SPEAKER
15-Nov-05	FICPA	FRAUD TOOLS
06-Oct-05	PCC	PRACTICAL APPROACH TO SAS 99
06-Oct-05	PCC	IMPLEMENTING FASB INTERPRETATION 46
12-Aug-05	BHWL	LEADERSHIP ACADEMY
12-May-05	BHWL	STAFF RETENTION
29-Apr-05	FICPA	GOVERNMENT A & A UPDATE
04-Jan-05	BHWL	ENGAGEMENT SOLUTIONS SOFTWARE TRAINING
09-Dec-04	BHWL	AUDITWATCH UPDATE
16-Nov-04	FICPA	THINK LIKE A MILLIONAIRE & TAX UPDATE
01-Nov-04	BHWL	SAS 99 - speaker
01-Nov-04	BHWL	SAS 99
28-Oct-04	BHWL	SAS 99
28-Oct-04	BHWL	SAS 99 - speaker
26-Oct-04	FICPA	DCAA COMPLIANCE W/GOVT AUDIT INDEPENDENCE STDS.
25-Aug-04	BHWL	SELF IMPROVEMENT
23-Jun-04	BHWL	AUDIT EFFICIENCY FOR NON-PROFITS
17-Jun-04	BHWL	AUDIT EFFICIENCY FOR CONSTRUCTION INDUSTRY
16-Jun-04	BHWL	PLAN, CONDUCT & COMPLETE EFFICIENT GOVT AUDIT
18-May-04	PGBC	COST & PRICING WORKSHOP
30-Apr-04	BHWL	2004 GOVERNMENT A & A UPDATE
28-Oct-03	FICPA	FRAUD RISK (SAS NO. 99)
02-Oct-03	MERRILL	THE BOTTOM LINE
17-Sep-03	MERRILL	CREATIVE FINANCIAL STRATEGIES
22-Jul-03	FICPA	GOV'T A&A

TECHNICAL QUALIFICATIONS OF Bob Lynch, CPA, CFE, CVA Manager

Education

Georgia State University
Accounting, 1996

Auburn University
Transportation and Distribution, 1986

Certification

Certified Public Accountant
- State of Florida 2003
- State of Georgia 1998
Certified Fraud Examiner (CFE)
Certified Valuation Analysis (CVA)

Professional Experience

Mr. Lynch joined BHWL in 2002. Mr. Lynch is developing the forensic accounting and business valuation practice area of our firm. Mr. Lynch has over 10 years of accounting, auditing and tax experience.

Mr. Lynch has served as an Examiner in the Federal Bankruptcy Court of the Middle District of Florida. Mr. Lynch has worked closely with attorneys and their clients to trace and to help recover funds in shareholder disputes and marital disputes.

Mr. Lynch works with companies to design and implement internal controls to prevent and detect occupational fraud and misappropriation of company assets. Mr. Lynch also helps companies comply with Sarbanes-Oxley requirements.

Mr. Lynch is a presenter for Lorman Continuing Education Program around the country. He is scheduled to give presentation on "Internal Controls" and "Sarbanes-Oxley" during the current year.

His governmental accounting and auditing experience includes, yet is not limited to, the following:

Governmental Auditing Experience		
Years on the Job	Position	Client
1	Senior	Kissimmee Charter School
1	Senior	North Lauderdale Charter School
1	Senior	Foundation for Osceola Education
1	Senior	City of Cape Canaveral
1	Senior	City of Cocoa Beach
1	Senior	Town of Malabar
1	Senior	Chancellor Charter School at Kennesaw

Professional Affiliations

- American Institutes of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Board member of the **Central Florida Chapter of the Association of Certified Fraud Examiners**
- National Association of Certified Valuation Analysts
- International Group of Accounting Firms

Community Affiliations/Volunteer Work

- Exchange Club of South Brevard Beaches

TECHNICAL QUALIFICATIONS OF Bob Lynch, CPA, CFE, CVA Manager

Professional Education

Completed in excess of the required hours of continuing professional education (CPE) of the Government Auditing Standards (1994 revision); the American Institute of CPAs; the Florida Board of Accountancy; and Berman Hopkins Wright & LaHam, CPAs, LLP's Personnel Guide.

Bob Lynch Continuing Education		
Date	Sponsor	Class
12/16/2005	BHWL	A & A Update
11/15/2005	FICPA	FRAUD INVEST IN GOV'T ENV
11/15/205	FICPA	FRAUD TOOLS - SPEAKER
12/12/2004	ACFE	AUDITING FOR INTERNAL FRAUD
12/11/2004	ACFE	AUDITING FOR INTERNAL FRAUD
11/10/2004	FICPA	IMPLEMENTING SARBANES-OXLEY REQUIREMENTS

TECHNICAL QUALIFICATIONS OF HEATHER CHRISTMAS SENIOR ACCOUNTANT

HEATHER CHRISTMAS
Senior Accountant

Education

University of Central Florida
B.S. in Accounting, 2003

Range of Experience

Ms. Christmas has over two years of accounting and auditing experience. Her experience includes, yet is not limited to, the following:

Governmental Auditing Experience		
Years on the Job	Position	Client
3	Staff Auditor	Town of Indian River Shores, Florida
3	Staff Auditor	City of Indian Harbour Beach, Florida
3	Staff Auditor	Okeechobee County Board of Commissioners
2	Staff Auditor	Port Malabar Holiday Park, Florida
2	Staff Auditor	Various Charter Schools throughout Florida
1	Staff Auditor	Boca Raton Housing Authority

Continuing Professional Education

Ms. Christmas has completed the required hours of continuing professional education as required by *Government Auditing Standards*, the AICPA, the Florida Board of Accountancy, and BHWL's *Quality Control Document*. The following is a summary of continuing professional education for the prior three (3) years.

HEATHER CHRISTMAS CONTINUING EDUCATION		
Date	Sponsor	Class
16-Dec-05	BHWL	A & A Update
19-Sept/20-Sept-05	BHWL	Audit Staff Level 2 Experienced Training
29-Apr-05	BHWL	Governmental A & A Update
30-Jun-04	BHWL	Governmental A & A Update
27-May-03	BHWL	Governmental A & A Update

TECHNICAL QUALIFICATIONS OF JENNIFER ZIMMER STAFF ACCOUNTANT

JENNIFER ZIMMER
Staff Accountant

Education

University of Central Florida
Masters in Accounting, 2004
B.S.B.A in Accounting, 2002

Range of Experience

Jennifer joined Berman Hopkins in 2004; her experience includes, yet is not limited to the following:

Governmental Auditing Experience		
Years on the Job	Position	Client
<i>Reports to Department of Housing and Urban Development - Current</i>		
1	Staff Auditor	St. Petersburg Housing Authority
2	Staff Auditor	Housing Authority of the City of Daytona Beach
1	Staff Auditor	Clearwater Housing Authority
2	Staff Auditor	Housing Authority of Brevard County
2	Staff Auditor	Melbourne Housing Authority
2	Staff Auditor	Tallahassee Housing Authority
2	Staff Auditor	Boca Raton Housing Authority
<i>Reports to Department of Housing and Urban Development-Past</i>		
1	Staff Auditor	Orlando Housing Authority

Continuing Professional Education

Completed the required hours of continuing professional education (CPE) of the Government Auditing Standards; the American Institute of CPAs; the Florida Board of Accountancy; and Berman Hopkins Wright & LaHam, CPAs, LLP's Personnel Guide. The following is a summary of continuing education for the current reporting period.

Jennifer Zimmer Governmental - Continuing Education		
Date	Sponsor	Class
22-Sep-05	BHWL	AUDIT WATCH
23-Sep-05	BHWL	AUDIT WATCH
29-Apr-05	BHWL	GOVERNMENT A & A UPDATE
17-Jun-04	BHWL	AUDIT WATCH
30-Apr-04	BHWL	GOVERNMENT ACCOUNTING & AUDITING UPDATE

TECHNICAL QUALIFICATIONS OF SEAN CEDAR Staff Accountant

SEAN CEDAR
Staff Accountant

Education

Florida State University
B.S. in Accounting, 2003
B.S. in Finance, 2003

Range of Experience

Sean joined Berman Hopkins in 2004; his experience includes, yet is not limited to the following:

Governmental Auditing Experience		
Years on the Job	Position	Client
<i>Reports to Department of Housing and Urban Development - Current</i>		
2	Staff Auditor	St. Petersburg Housing Authority
3	Staff Auditor	Housing Authority of the City of Daytona Beach
2	Staff Auditor	Clearwater Housing Authority
2	Staff Auditor	Housing Authority of Brevard County
2	Staff Auditor	Melbourne Housing Authority
2	Staff Auditor	Tallahassee Housing Authority
1	Staff Auditor	Pinellas County Housing Authority
1	Staff Auditor	Boca Raton Housing Authority
1	Staff Auditor	Housing Authority of the City of Fort Lauderdale, Florida
2	Staff Auditor	Marianna Housing Authority
<i>Reports to Department of Housing and Urban Development - Past</i>		
1	Staff Auditor	Orlando Housing Authority

Continuing Professional Education

Completed the required hours of continuing professional education (CPE) of the Government Auditing Standards; the American Institute of CPAs; the Florida Board of Accountancy; and Berman Hopkins Wright & LaHam, CPAs, LLP's Personnel Guide. The following is a summary of continuing education for the current reporting period.

Sean Cedar Governmental - Continuing Education		
Date	Sponsor	Class
22-Sep-05	BHWL	AUDIT WATCH
23-Sep-05	BHWL	AUDIT WATCH
29-Apr-05	BHWL	GOVERNMENT A & A UPDATE
17-Jun-04	BHWL	AUDIT WATCH
30-Apr-04	BHWL	GOVERNMENT ACCOUNTING & AUDITING UPDATE

TECHNICAL QUALIFICATIONS OF JESSICA HASLOW Staff Accountant

JESSICA HASLOW
Staff Accountant

Education
University of Cincinnati
B.S.B.A. 2002

Range of Experience

Jessica joined Berman Hopkins in 2003, her experience includes, yet is not limited to the following:

Governmental Audit Experience		
Years on the Job	Position	Client
<i>Reports to Department of Housing and Urban Development - Current</i>		
2	Staff Auditor	Marianna Housing Authority
2	Staff Auditor	Boca Raton Housing Authority
2	Staff Auditor	St. Petersburg Housing Authority
3	Staff Auditor	Housing Authority of the City of Daytona Beach
3	Staff Auditor	Clearwater Housing Authority
3	Staff Auditor	Housing Authority of Brevard County
3	Staff Auditor	Melbourne Housing Authority
2	Staff Auditor	Tallahassee Housing Authority
1	Staff Auditor	Pinellas County Housing Authority
1	Staff Auditor	Housing Authority of the City of Fort Lauderdale, Florida
3	Staff Auditor	Housing Authority of the City of Cocoa
1	Staff Auditor	Housing Authority of the City of Tampa
<i>Reports to Department of Housing and Urban Development - Past</i>		
1	Staff Auditor	Orlando Housing Authority

Continuing Professional Education

Completed the required hours of continuing professional education (CPE) of the Government Auditing Standards; the American Institute of CPAs; the Florida Board of Accountancy; and Berman Hopkins Wright & LaHam, CPAs, LLP's Personnel Guide. The following is a summary of continuing education for the current reporting period.

Jessica Haslow Governmental - Continuing Education		
Date	Sponsor	Class
22-Sep-05	BHWL	AUDIT WATCH
23-Sep-05	BHWL	AUDIT WATCH
29-Apr-05	BHWL	GOVERNMENT A & A UPDATE
17-Jun-04	BHWL	AUDIT WATCH
30-Apr-04	BHWL	GOVERNMENT ACCOUNTING & AUDITING UPDATE
6-Sep-04	BHWL	AUDIT WATCH

8. REFERENCES

REFERENCES

<i>Government Entity</i>	<i>Address</i>	<i>Principal Client Contact</i>
BREVARD COUNTY FLORIDA	P.O. Box 1496 Titusville, FL 32781	Stephen Burdett Finance Director (321)264-5226
JACKSONVILLE TRANSPORTATION AUTHORITY	100 N. Myrtle Ave. Jacksonville, FL 32202	Thomas Cerino Interim CFO (904)630-3116
OCEAN HIGHWAY AND PORT AUTHORITY OF NASSAU COUNTY	501 North 3rd Street Fernandina Beach, FL 32035	Ed Gandy Chairman (904)556-9055
CITY OF INDIAN HARBOUR BEACH, FLORIDA	2055 S. Patrick Drive Indian Harbour Beach, FL 32937	Jackie Burnes City Manager (321)773-3181
TOWN OF MALABAR, FLORIDA	216 Fifth Ave. Indialantic, FL 32903	Susan Kabana Town Clerk (321)727-7764
TOWN OF INDIAN RIVER SHORES	6001 North A1A Indian River Shores, FL 32963	Barbara Ready Town Clerk (561)231-1771
FLORIDA SPACE AUTHORITY	100 Spaceport Way, Cape Canaveral, FL 32420	Denise Swanson (321)730-5301
A FLORIDA SPECIAL DISTRICT (NAME TO BE PROVIDED UPON REQUEST)	Address to be provided upon request	David Cohen (attorney) (904)633-7979

9. CONFLICTS OF INTEREST

CONFLICTS OF INTEREST

BHWL has no conflict of interest in fact or appearance with regard to the Town of Davie, or any other party associated with this special audit engagement, and as described in RFQ B-06-47, item VI. 5.

10. LIABILITY INSURANCE COVERAGE

LIABILITY INSURANCE COVERAGE

Our professional liability is with Arch Insurance Group. The limit of liability on this policy is \$2 million on each claim and in the aggregate. The policy is renewed annually in November.

11. REGULATORY ACTIONS

REGULATORY ACTIONS

Federal or State Desk Reviews & Disciplinary Action:

BHWL has had no federal or state desk reviews or field reviews of our audits during the past three (3) years. No disciplinary action from state regulatory bodies or professional organizations has been taken against us during the past three (3) years, nor is any action pending.

12. ASSISTANCE FROM TOWN STAFF

ASSISTANCE FROM TOWN STAFF

The assistance we anticipate needing from the Town of Davie staff is as follows:

- Internet access for a minimum of four BHWL team members
- Inquiry access to the Town of Davie's financial accounting system
- Assistance with retrieving and filing documents
- Availability for interviews by BHWL team members
- Workspace to accommodate up to six BHWL team members, depending on the Town of Davie's timeline.

13. CAPABILITY TO SATISFY REQUIREMENTS

CAPABILITY TO SATISFY REQUIREMENTS

Understanding and Ability to Meet the Scope of Services

We will conduct this special-purpose audit in accordance with the Statement on Auditing Standards (SAS) 54, "Illegal Acts by Clients," SAS 99, "Consideration of Fraud in a Financial Statements Audit," "Management Antifraud Programs and Controls" (and attachment to SAS 99), and any other standards as applicable.

We will include a fraud vulnerability assessment to identify areas deemed to be vulnerable to fraud or abuse in order to assess the extent, if any, to which such vulnerabilities may have been exploited over the past three to seven years. We understand that the areas deemed to be vulnerable by us, and/or areas specifically identified by the Town of Davie, may be subject to detail test work. We will ensure that the test work is agreed to by the Town of Davie via written agreed-upon procedures prior to initiation of work on each area. As part of our engagement, we will evaluate the internal controls over procedures for procuring and paying for goods and services.

We will be available to provide an oral briefing regarding our engagement to the Town Council when requested. We will deliver a concisely written report to the Town Council that clearly details the results of the procedures performed. The report will include, but not be limited to, the following:

- Recommendations regarding any additional audit or fraud examination work that may be needed to determine the impact (magnitude and duration) of any fraud that may have occurred in areas assessed as having more than a low level of risk for fraud. We will provide specific information in support of these recommendations in a clearly defined strategy for executing the additional audit or fraud examination work recommended. We will provide cost estimates for any further testing we recommend to ascertain if such vulnerabilities may have been exploited;
- Identification of any related or similar processes or situations that exist that may be allowing similar asset misappropriations to occur; and
- Any other recommendations arising from the auditor's work, such as recommendations to eliminate or minimize weaknesses or practices which might lead to unintentional errors or waste.

BHWL's Competitive Advantages

BHWL offers the unique ability to provide **the combined needs** of your organization, for both the forensic testing and the knowledge over local Governmental entities. The Certified Fraud Examiners ("CFEs") assigned to this engagement have experience performing similar engagements. In addition, all of our audit staff have implemented SAS No. 99 for numerous governmental audit clients, which provides us with a thorough understanding of areas of potentially higher risk to fraud that we can bring to this proposed engagement.

We are very familiar with the rules and regulations to which local governments must adhere. We also understand the financial reporting and auditing requirements of the Office of Management and Budget Circular A-87 (OMB A-87), *Cost Principles for State, Local and Indian Tribal Governments*, which provides us the insight needed for testing the allowability and allocation of costs, as well as the determination of reasonable and necessary costs and activities.

CAPABILITY TO SATISFY REQUIREMENTS

We have industry knowledge to understand the areas that are most susceptible to non-compliance and fraud. Our team consists of CPAs and CFEs with the combined experience that puts BHWL in a **competitive advantage** over similar firms in the same industry.

We are active members of the Florida State and Local Government section of the FICAP, the Florida, Alabama and National Associations of Housing and Redevelopment Officials (Authorities) (FAHRO, AAHRA and NAHRO), the Brevard Chapter of the Government Finance Officers Association (GFOA) and the **Central Florida Chapter of Association of Certified Fraud Examiners**. Through these associations, we participate in education programs to maintain our forensic and governmental expertise.

We affirm that we have the ability to meet the needs of this engagement for the Town of Davie. We have:

A Combination of CPAs and CFEs

We will assign two Certified Fraud Examiners as well as CPAs with the knowledge base of relevant standards and requirements to perform this engagement.

Competence in the Services to be Provided

The synergistic effect of the government audit experience coupled with our forensic certifications, and our quality service history gives us the means to meet the services needed for this engagement.

Performed Similar Work for Governmental Clients (see section 2 & 3 for additional information)

We have performed forensic examinations for many clients, including a Florida Clerk of Circuit Court, a special district, and numerous housing authorities.

A Record of Meeting Schedules and Deadlines of Our Clients

We assert that we have consistently performed timely for all of our clients and we assert the same to the Town of Davie. All deadlines will be met.

14. INDEPENDENCE

INDEPENDENCE

Berman Hopkins Wright & LaHam, CPAs, LLP is independent with respect to the **Town of Davie** as defined by U.S. generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards revised 2003. There has been no involvement in any professional relationships that would infringe on our independence status. We do not have a conflict of interest relative to performing this engagement.

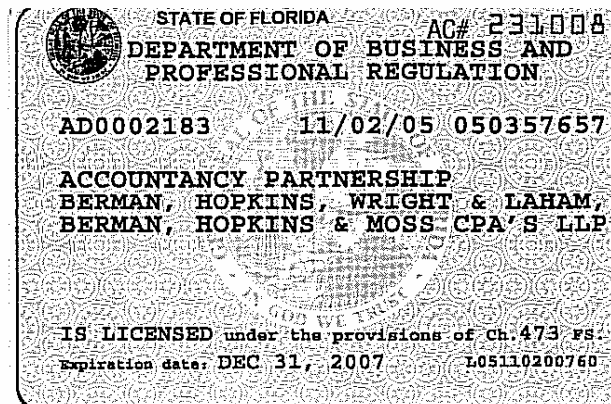
15. LICENSE TO PRACTICE IN FLORIDA

LICENSE TO PRACTICE IN FLORIDA

BHWL is registered to do business as a Limited Liability Partnership (LLP) in the State of Florida and is licensed by the State of Florida Department of Business and Professional Regulation to practice as a Certified Public Accounting firm. The expiration date of our license is December 31, 2007, at which time it will be promptly renewed. All key professional staff assigned to our auditing team are properly registered to practice as Certified Public Accountants (CPAs) in the State of Florida. Our professional staff's CPA licenses expire every two years and vary depending on the year a CPA was first licensed. All active licenses are continually monitored and the file copies of these licenses are updated.

All management personnel assigned to this audit engagement have met or exceeded the governmental accounting education requirements for the State of Florida, which maintains one of the strictest CPA education requirements.

BHWL is a member in good standing with the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA).



16. INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

During the term of this engagement, we can and will comply with the insurance requirements as enumerated in RFQ B-06-47, item 14.

16. ATTACHMENTS

The Town of Davie
Forensic Auditor, B-06-47 Proposal
March 14, 2006 Copy 11 of 11

March 14, 2006

Mr. Herb Hyman, CPPB
Procurement Manager
Town of Davie
6591 Orange Drive
Davie, FL 33314

Dear Mr. Hyman:

We are pleased to present this proposal to serve as forensic auditor for the Town of Davie, Florida. Our national firm has substantial experience in investigative and forensic auditing services and we definitely are interested in utilizing this unique skill. Having read through your Request for Qualifications, we believe Mayer Hoffman McCann P.C. would be **uniquely qualified** to service the Town of Davie, Florida as independent public accountants.

Our firm is strongly motivated to utilize the successful experience of our professionals with forensic audit clients. While providing our services to you at competitive costs, we are committed to providing you with a client service team of the highest professional caliber to insure that you receive the highest quality forensic auditing services. The Town of Davie, Florida would also enjoy the benefit of being serviced with pride by a national CPA firm from its local office in nearby Boca Raton, Florida and by anti-fraud partners, Stephen Nelder and Lance Randolph, who have successfully provided audit services to many others with similar needs and circumstances as your own. Lastly, as our client, the Town of Davie, Florida would hold a very special level of prominence within our South Florida office.

We do understand your governmental forensic needs and requirements, and we can satisfy them by using our national experience and local audit team to achieve the goals of the Town of Davie. Mayer Hoffman McCann P.C. has provided premier professional accounting, tax, and audit services since 1954. Now, as a national firm, we have a network of CPA partners that stretches across the country, yet is still tightly connected. Our firm's contacts and experiences are shared to provide the best possible solutions for all of our clients' needs. We view this relationship and communication amongst our national partners as a major benefit to our clients. We also encourage all of our staff to function as parts of a team, communicating and discussing issues and options, in an effort to maximize the productive usage of our knowledge and experiences. Our stringent hiring practices provide us with only high caliber personnel whom we continually challenge and develop professionally. We expect our professionals to do more than just complete standard checklists; we expect them to understand our clients' operations and needs. We also are fully versed in the requirements of the *Statement on Auditing Standards (SAS) 54, Illegal Acts by Clients*; *SAS 99, Consideration of Fraud in a Financial Statement Audit*; *Management Antifraud Programs and Controls* (an attachment to SAS 99).

For over twenty years the firm, formerly known as Schmidt, Raines, Trieste, Dickenson & Adams, PL, has operated in the South Florida marketplace as a highly respected public accounting firm, and we still are. Our merger into Mayer Hoffman McCann P.C and CBIZ has been a “seamless” transition for our clients. Our professional culture has not changed, nor has the management of our firm. What has changed is that we now have far greater resources available for the benefit of our existing and future clients. While other local accounting firms try to demonstrate the capabilities of a national firm, and while other national firms try to demonstrate the culture of a local firm, we have demonstrated both a local firm's culture and a national firm's capabilities.

Mayer Hoffman McCann P.C. has a strong list of anti-fraud and governmental clients (a detail listing is included in the “Fraud and Audit Clients” section). We encourage you to contact the references included in our proposal. We are aware of no client we have served that was not fully satisfied with the quality and timeliness of our performance.

We believe that the qualities described above uniquely qualify Mayer Hoffman McCann P.C. to best serve the Town of Davie. We appreciate this opportunity to present our proposal to you. We understand your requirements and are committed to meeting all of them, including fulfilling your **need to commence and complete this audit in a timely manner**. This proposal represents a firm and irrevocable offer for ninety days. We will be pleased to meet with you to discuss further our qualifications, approach and fees. We sincerely hope to have the opportunity to provide our services to you, as we are confident the relationship will be mutually beneficial.

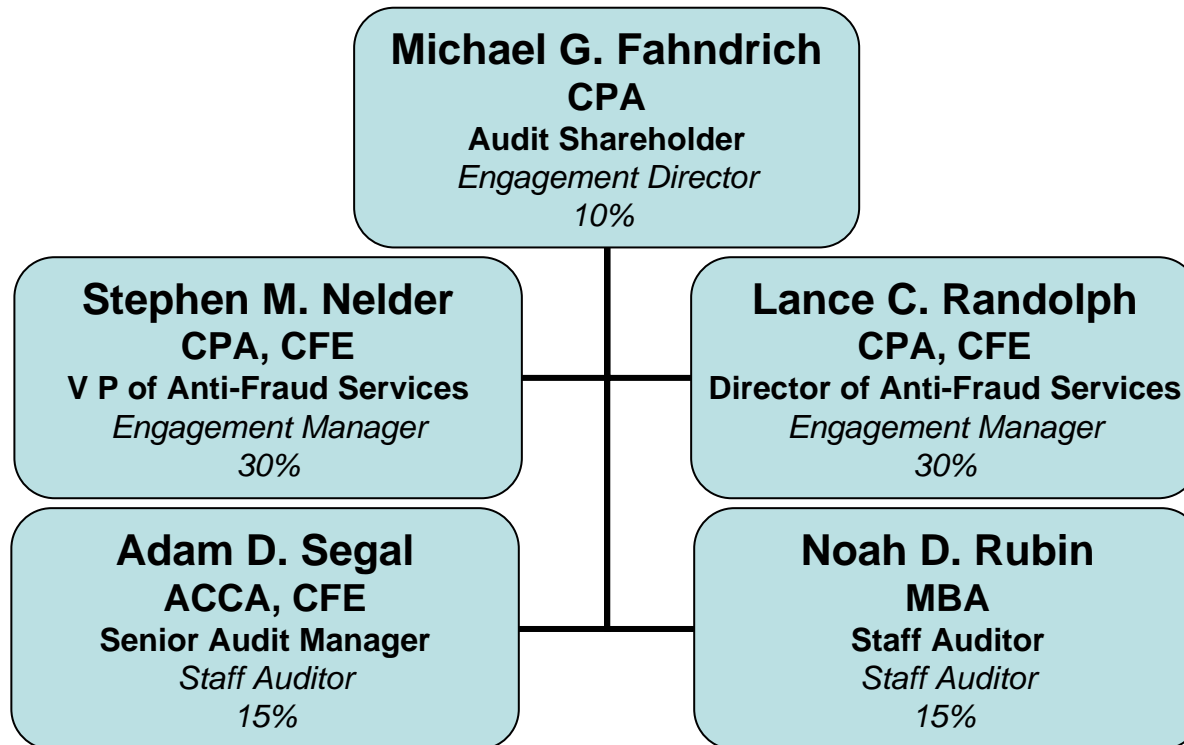
Very truly yours,

Mayer Hoffman McCann P.C.

Michael G. Fahndrich
Shareholder
Enclosures

Town of Davie Forensic Audit

1. Mayer Hoffman McCann P.C. Audit Team Organization Chart



Percentage shown is the approximate percentage of time spent on the audit by each team member.

2. Fraud & Audit Clients

Selected Fraud Examination Audit Clients

Due to the confidential nature of fraud examination, we are unable to divulge specific details of the following clients.

- Investigated allegations of kickbacks involving a highly trusted employee working as a construction manager for a real estate development company. A lavish lifestyle and unexplained increase in wealth combined with project delays, cost overruns, numerous change orders and an unknown General Contractor resulted in \$2.2 million in overcharges to the company. The employee confessed to receiving over \$600,000 in kickbacks from the contractor.
- Investigated alleged theft of over 300 computers at a loss of \$1.2 million to a major auto supply distributor by one of their sales employees. Identified the retail/wholesale computer establishment that was purchasing these computers at 50% of cost and paying for them by check directly to the salesman. This resulted in a fidelity bond claim of \$500,000 and a referral to the District Attorney's office.
- Uncovered an employee embezzlement scheme where the Controller of a large citrus juice producer created a bogus advertising agency. Checks were made payable to an agency located 400 miles from the agency but having no street address. Mr. Nelder's investigation identified the checks had cleared the bank across the street from the corporate offices. The investigation resulted in a \$3.5 million recovery of funds for the client.
- Discovered and investigated a scheme that involved collusion between a tire manufacturer's employees and several tire dealers. The employee authorized fraudulent warranty claims for defective tires and then received kickbacks from dealers for these bogus claims. This investigation resulted in a recovery in excess of \$10 million for the company from successful litigation and a fidelity

bond claim payment of \$3 million.

- During a routine audit of the International Sales Department, Mr. Nelder uncovered an employee kickback scheme with one of the company's customers. This discovery resulted in a \$2.8 million judgment against the customer and led to the ultimate recovery of monies for the company through the location of hidden assets.
- Investigated another kickback scheme involving construction projects at a major motor carrier located in Akron, Ohio. Losses in excess of \$2.5 million were identified and documented. The case was referred to the FBI for successful prosecution.
- Testified in United States District Court regarding a fictitious claim. In the Memorandum of Opinion of the court, the court found Mr. Nelder's testimony particularly persuasive both with regard to his knowledge of the falsification scheme and his quantification of the damages due to the client.
- Analyzed and investigated claims for defective tires for Uniroyal, BF Goodrich, Michelin and private brand labels by tire size, tread depth, product line, manufacturing facility and type of defect submitted by authorized tire dealers. This analysis lead to the investigations of numerous dealers suspected of warranty fraud and abuse and resulted in millions of dollars recovered for these tire manufacturers. The knowledge gained through these investigations resulted in improved validation of the warranty claim process and inspection programs.
- Engaged by public corporations ranging from \$200 million to \$2 billion in annual sales to develop and executive data analyses processes designed to proactively identify indications of potential fraud, waste, and abuse. Through database analyses of a client's general ledger or other transactional detail, we identify trends or transactions that are unusual or demonstrate an operational

or internal control that has been compromised.

- Engaged as an expert witness to calculate damages arising from a 40% shareholder that had not been receiving distributions of profit from the corporation. The lack of profit allocations were caused, in part, by the diversion of corporate revenues to two shell companies as well as the corporation's president and majority shareholder.
- Engaged by a large national corporation to investigate irregularities uncovered at the operations of a subsidiary. The investigation determined that key management worked collaboratively to develop and present fraudulently inflated financial statements to its parent in order to ensure the parent continued to annually advance in excess of \$1.5 million to the subsidiary to fund its operations. Additionally, the investigation identified over \$100,000 in unauthorized payments of a personal nature made on behalf of the subsidiary's manager. The matter was referred to federal law enforcement authorities for criminal prosecution.
- Engaged by a large national financial institution to investigate irregularities identified by its internal audit staff relating to loans made to a customer involved in factoring accounts receivable. The investigation identified an approximately \$6 million scheme whereby the bank's customer was factoring receivables of related parties, and was submitting fictitious invoices to the bank as collateral for increased funding. The investigation resulted in negotiations with the bank's customer to repay the bank, and was also used as the basis for a referral to federal law enforcement officials.
- Engaged by a manufacturer and distributor of computers used exclusively in the retail banking industry. The client had been the victim of a scheme perpetrated by an employee responsible for assisting Eastern European customers finance substantial purchases. The investigation focused on a detailed review of all transactions this individual had participated in to ensure

the entire theft had been identified, to quantify any additional exposure of the client to further losses due to the issuance of extremely risky credit, and to identify internal control weaknesses. The report was submitted to the client's insurance company as a part of its successful fidelity insurance claim.

- Engaged by a global entity to investigate whether approximately \$26 million in payments to one services vendor in a 21 month period were warranted. The investigation involved conducting analyses of the client's electronic accounting records, at the transactional level, and then comparing the results of those analyses to large data files provided by the global headquarters of the vendor. The investigation also focused on obtaining an understanding of the client's procurement processes related to these types of vendors, and recommending process improvements, as well as obtaining an understanding of the vendor's operations and procedures.
- Engaged by an entity that manufactures paint and was a victim of a \$350,000 embezzlement by a former controller of one of its divisions. The investigation involved working with client's corporate personnel to quantify and document the theft, obtaining a signed statement from the individual accused, and a referral of the case to the FBI for criminal prosecution.
- Engaged by a manufacturer of aftermarket automotive parts that was a victim of a \$4.3 million embezzlement by the former CFO, with the assistance of two accounting personnel. The investigation gathered sufficient evidence and information, including uncovering assets held by the former CFO, to refer the case to the FBI for criminal investigation, as well as providing relevant asset data to the client to be used for civil recovery. Through these efforts, the client was able to recover approximately \$2 million of the over \$4 million stolen. The recoveries were mandated as a part of the individual's criminal sentence.
- Engaged by the Board of Directors of a public company to investigate the net worth claims made by a former executive of the client company. The former

executive had caused the client company to guarantee approximately \$60 million in personal loans that were now in default. The investigation utilized on-line background research, as well as detailed financial analyses of the financial holdings, interests and closely held companies owned by the former executive, to refute his claim of insufficient resources to pay the obligation while also searching for evidence of undisclosed assets or holdings.

- Investigated and quantified a \$20 million loan fraud perpetrated by a customer of a regional bank. Extensive analysis was performed tracing the flow of funds for each of the fraudulent 300 loans into bank accounts controlled by the bank officer and other perpetrators of the scheme. These analyses were used to assist the bank in its preparation of a fidelity bond claim. Through a confidential settlement, the bank was able to recover an undisclosed amount from its insurer.
- Investigated and quantified a \$6 million embezzlement by an executive of the client's company. The engagement had two primary focuses: first, tracing hundreds of wire transfers to gain a level of assurance that the entire theft had been quantified, and second, tracing the stolen funds into various investment accounts to quantify the amount of restitution available.
- Investigated time and expense abuses of more than \$1 million perpetrated by a single employee. The investigation and analysis involved detailed tracing and reviewing of expenses submitted to determine those expenses that violated the client's policies.
- Investigated the \$2.5 million cost over-run of a joint venture construction project. The investigation involved independently confirming the construction costs and included detailed payroll analysis, interviews of sub-contractors, and unannounced interviews of vendors to examine the invoices and supporting detail each vendor had submitted in connection with this construction project. This engagement also involved the preparation of an expert report

approximately two years after the initial investigation for use during the arbitration resulting from the split of the joint venture. The investigation was critical to demonstrating that the client terminated the joint venture agreement for cause.

- Investigated thefts of assets by an employee totaling nearly \$1 million. The employee's scheme involved deceptive invoicing, lapping of accounts receivable, and a dummy vendor company incorporated by the employee. The investigation helped to quantify and document the loss for both the filing of a fidelity bond claim, as well as assisting the FBI with its criminal investigation.

Selected Governmental Audit Clients

- **City of Santa Monica, California**

June 2003 – Present

The scope of services provided to City of Santa Monica includes an Organizational Wide Compliance Audit (GASB#34) including all funds and account groups of the City of Santa Monica, Redevelopment Agency, and the Big Blue Bus Line as well as OMB Circular A-133 compliance reporting. Reports on internal control and recommendations to management are included as an integral part of these services. This continuing engagement is contracted through Conrad and Associates, LLC, an affiliate of Mayer Hoffman McCann P.C. since 1999.

- **U.S. Pentagon**

2004 – Present

The services provided to the Pentagon include assisting with the management of contract invoices, monthly progress status reports, and other contract administrative documents including personnel changes, travel requests, monthly invoices, purchase requests and various financial reports. The specific tasks performed also include the conversion of hard copy historical paper

documentation to electronic versions and the development of a more efficient data storage and retrieval system.

- **City of Overland Park, Kansas**

December 31, 2003

Mayer Hoffman McCann P.C. is the audit firm for the City of Overland Park, Kansas. Overland Park is a municipal audit with a current annual budget in excess of \$100 million, including business-type activities for a convention center and a golf course, as well as, general governmental matters, water/sewer system, and refuse removal, and additional stand alone audit of the Municipal Employees Pension Fund. The audit engagement includes our issuance of the City's general purpose financial statements in compliance with GASB Statement No. 34, and with the GFOA Certificate of Excellence in Financial Reporting Program, along with all required auditor's reports as prescribed by generally accepted auditing standards, and is being performed in accordance with the requirements of the Yellow Book, the Single Audit Act of 1984, and OMB Circular A-133.

The following is a comprehensive list of government entities currently or recently served by the independently owned and operated certified public accounting firm of Mayer Hoffman McCann P.C.

• Allegany County HR Development Commission	• City of Cumberland
• Allegany Office for Children, Youth	• City of Delano
• Anne Arundel County Government	• City of Frostburg
• Arab Information Center	• City of Overland Park
• Bedford Borough & Municipal Authority	• City of Santa Paula
• Bloomington Vol. Fire Co & Ladies Auxilary	• City of South Tucson
• Borough of Windber	• City of Tehachapi
• Bowling Green Vol. Fire Department	• City of Wood Dale
• Bowman's Addition Volunteer Fire	• Corriganville Volunteer Fire Company
• Brazilian Aeronautical Commission	• Cresson Township

• Brazilian-American Cultural Institute	• County Commissioners of Allegany County
• Burlington Volunteer Fire Company	• Conemaugh Township Municipal Authority
• Cambria Twp VFC and Ladies Auxiliary	• Delany Community Redevelopment Agency
• Cassandra Borough	• Deep Creek Volunteer Fire Company
•District 16 Vol. Fire Dept. & Ladies Aux	• Portage Area Sewer Authority
• Downtown Alliance	• Portage Borough
• Duckett Creek Sanitary District	• Portage Borough Municipal Authority
• Ehrenfeld Borough	• Portage Township
• Embassy of Kuwait, Cultural Division	• Potomac Fire Company
• Embassy of State Kuwait Health Division	• Redevelopment Agency - City of Tehachapi
• Embassy of The State Of Eritrea	• Sankertown Borough
• Embassy of Turkmenistan	• Sankertown Borough Sewer Authority
• Embassy-State of Kuwait	• Santa Cruz County School Consortium
•Federation of Alliances Francaises Inc	• School District of Clayton
•Frederick-Garrett Residences	• Solitude Improvement District
•Frostburg Housing Authority	• Southwestern Cambria County Water Authority
•Gallitzin Boro and Gallitzin Water Authority	• Springettsbury Township
•Garrett County Health Department	• St. Charles County Ambulance District
•Housing Authority of Salt Lake	• Summerhill Borough
•Housing Authority of Washington County	• Summerhill Township
•Internal Revenue Service	• Summit Township
•Kern High School	• The Embassy of Nigeria
•Keyser Housing Authority	• Town of Accident
• Kirkwood School District R-7	• Town of Easton, Maryland
• Lavale Volunteer Fire Department	• Town of Elk Garden
• Maysville Volunteer Fire Company	• Town of Grantsville
• McCoole Fire & Rescue Department	• Town of Greensboro, Maryland
• Mehlville School District	• Town of Hillsboro, Maryland
• Middle Taylor Township	• Town of Lonaconing
• Mineral Co. Board of Health	• Town of Mt. Lake Park
• Mt. Savage Volunteer Fire Company	• Town of Oakland
• Mt. Savage Water Co.	• Town of Queene Anne, Maryland
• Nacional Financiera, SNC	• Town of Sahuarita
• North Shore School District No. 112	• Town of Trappe, Maryland

• Pan American Health & Education Fndn	• Town of Westernport
• Park City Fire Department	• Town View Village Accident Comm. Housing
• Park Hill School District	• Tucson Airport Authority
• Pima County Government	• Tule River Tribal Council
• Portage Area Joint Recreation Comm.	• Tunnelhill Borough
• Utah Council on Economic Education	• Village of West Dundee
• Village of Algonquin	• Village of West Dundee
• Village of Glendale Heights	• West Virginia Assoc. Of Housing Agencies
• Village of Lake Zurich	• Westmont Park District
• Village of Rosemont	• White Township
• Village of Schaumburg	• Wilmore Boro & Wilmore Municipal Auth

3. Experience in Fraud & Government Audit

The experience of the engagement office in providing additional services to government clients has previously been addressed in **Proposal Item 2, Audit & Fraud Clients.**



Davis, Kinard & Co., P.C.
Certified Public Accountants

First National Bank Building
400 Pine Street, Suite 600
Abilene, Texas 79601-5128

Office (915) 672-4000
FAX (915) 672-7049
1-800-588-2525
<http://www.dkcpa.com>

To the Shareholders of
Mayer Hoffman McCann P.C.
and the SEC Practice Section Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of **Mayer Hoffman McCann P.C.** (the firm) in effect for the year ended June 30, 2002. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. In addition, the firm has agreed to comply with the membership requirements of the SEC Practice Section of the AICPA Division for CPA Firms (the Section). Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system and the Section's membership requirements based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Section and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it or with the membership requirements of the Section since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of **Mayer Hoffman McCann P.C.** in effect for the year ended June 30, 2002, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards. Also, in our opinion, the firm complied during that year with the membership requirements of the Section in all material respects.

As is customary in a peer review, we are issuing a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

Davis, Kinard & Co., P.C.

DAVIS, KINARD & CO., P.C.

Abilene, Texas
December 20, 2002

FOR MORE INFORMATION CONTACT:

American Institute of Certified Public Accountants
Division of Firms - SEC Practice Section
Harborside Financial Center, 201 Plaza Three
Jersey City, New Jersey 07311-3881

Attachment to the Peer Review Report of Mayer Hoffman McCann P.C.

Description of the Peer Review Process

Overview

Member firms of the AICPA SEC Practice Section (the Section) must have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objective of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures were being complied with to provide the firm with reasonable assurance of complying with professional standards.

The reviewed firm was complying with the membership requirements of the SECPS in all material respects.

The Section's Peer Review Committee (PRC) establishes and maintains review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Transition Oversight Staff, (formerly the staff of the Public Oversight Board), an independent oversight body, plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, they are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC. That file also includes the firm's annual report which contains information regarding the number of firm offices, firm professionals, and SEC clients for which the firm is principal auditor-of-record.

Planning the Review

To plan the review of Mayer Hoffman McCann P.C., we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's quality control system in preventing the performance of engagements that do not comply with professional standards.

Performing the Review

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's quality control system. The engagements selected for review included audits of clients that are SEC registrants, audits performed under *Government Auditing Standards* and audits of employee benefit plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for the elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. In addition, we tested compliance with the membership requirements of the Section, including those pertaining to independence quality controls and concurring partner review.

Prior to concluding the review, we reassessed the adequacy of scope and conducted an exit conference with firm management to discuss our findings and recommendations.

5. Professional Experience

Michael G. Fahndrich, CPA

Audit Shareholder

Mr. Fahndrich will provide approximately 10% of the total audit time for the Town of Davie as the overall Engagement Director.

Mike has a diverse background with a strong focus on financial auditing, as well as, compliance auditing in accordance with OMB Circular A-133 and other attestation engagements in industries that include governmental, not-for-profits, construction, real estate, manufacturing, and high tech industries.

Mike is licensed in the State of Florida and is a member of the AICPA and the Florida Institute of Certified Public Accountants. Mike is in compliance with governmental CPE requirements.

Stephen M. Nelder CPA, CFE

Vice President, Anti-Fraud Services

Mr. Nelder will provide approximately 30% of the total audit time for the Town of Davie as one of two Engagement Managers.

Stephen M. Nelder, CPA, CFE is Vice President of Anti-Fraud Services at Mayer Hoffman McCann P.C. and its partner, CBIZ Inc. Previously Mr. Nelder was the founding member of Investigative & Forensic Accounting Services, LLC ("IFAS") which specializes in the prevention and detection of white collar fraud. Mr. Nelder is a Certified Public Accountant and Certified Fraud Examiner with over 25 years experience assisting clients with issues of occupational fraud and abuse. Mr. Nelder spent the first seven years of his career as an internal auditor for several manufacturing and consumer products companies, but since 1987 has focused exclusively on conducting fraud examinations and taking a proactive role in the detection and prevention of occupational fraud and abuse. Prior to founding IFAS, Mr. Nelder conducted fraud examinations as a member of the litigation advisory services practice of a Big Five accounting firm.

Throughout Mr. Nelder's career, he has helped his client's recover in excess of \$45 million in illicit funds as a result of his thorough and professional investigations. The following is a sample of the types of engagements Mr. Nelder has participated in.

Selected Fraud Examinations

- Investigated allegations of kickbacks involving a highly trusted employee working as a construction manager for a real estate development company. A lavish lifestyle and unexplained increase in wealth combined with project delays, cost overruns, numerous change orders and an unknown General Contractor resulted in \$2.2 million in overcharges to the company. The employee confessed to receiving over \$600,000 in kickbacks from the contractor.

- Investigated alleged theft of over 300 computers at a loss of \$1.2 million to a major auto supply distributor by one of their sales employees. Identified the retail/wholesale computer establishment that was purchasing these computers at 50% of cost and paying for them by check directly to the salesman. This resulted in a fidelity bond claim of \$500,000 and a referral to the District Attorney's office.
- Uncovered an employee embezzlement scheme where the Controller of a large citrus juice producer created a bogus advertising agency. Checks were made payable to an agency located 400 miles from the agency but having no street address. Mr. Nelder's investigation identified the checks had cleared the bank across the street from the corporate offices. The investigation resulted in a \$3.5 million recovery of funds for the client.
- Discovered and investigated a scheme that involved collusion between a tire manufacturer's employees and several tire dealers. The employee authorized fraudulent warranty claims for defective tires and then received kickbacks from dealers for these bogus claims. This investigation resulted in a recovery in excess of \$10 million for the company from successful litigation and a fidelity bond claim payment of \$3 million.
- During a routine audit of the International Sales Department, Mr. Nelder uncovered an employee kickback scheme with one of the company's customers. This discovery resulted in a \$2.8 million judgment against the customer and led to the ultimate recovery of monies for the company through the location of hidden assets.
- Investigated another kickback scheme involving construction projects at a major motor carrier located in Akron, Ohio. Losses in excess of \$2.5 million were identified and documented. The case was referred to the FBI for successful prosecution.
- Testified in United States District Court regarding a fictitious claim. In the Memorandum of Opinion of the court, the court found Mr. Nelder's testimony particularly

persuasive both with regard to his knowledge of the falsification scheme and his quantification of the damages due to the client.

- Analyzed and investigated claims for defective tires for Uniroyal, BF Goodrich, Michelin and private brand labels by tire size, tread depth, product line, manufacturing facility and type of defect submitted by authorized tire dealers. This analysis lead to the investigations of numerous dealers suspected of warranty fraud and abuse and resulted in millions of dollars recovered for these tire manufacturers. The knowledge gained through these investigations resulted in improved validation of the warranty claim process and inspection programs.

Lance C. Randolph, CPA, CFE

Director, Anti-Fraud Services

Mr. Randolph will provide approximately 30% of the total audit time for the Town of Davie as one of two Engagement Managers.

Lance Randolph is a Director of Anti-Fraud Services either dedicated solely to investigating allegations of fraudulent activity or proactively seeking out indicators of unreported illicit behavior of our clients' suppliers, customers, or employees. A former deputy sheriff, Lance's public accounting experience has always been dedicated to fraud and litigation engagements. As a former manager of a "Big Four" accounting firm's litigation advisory services practice, a co-founder of an investigative accounting boutique, and now a Director of Anti-Fraud services, Lance has conducted fraud examinations for clients in many different industries.

The following is a selection of Mr. Randolph's professional experience.

Selected Fraud Examinations and Forensic Accounting Engagements

- Engaged by public corporations ranging from \$200 million to \$2 billion in annual sales to develop and execute data analyses processes designed to proactively identify indications of potential fraud, waste, and abuse. Through database analyses of a client's general ledger or other transactional detail, we identify trends or transactions that are unusual or demonstrate an operational or internal control that has been compromised.
- Engaged as an expert witness to calculate damages arising from a 40% shareholder that had not been receiving distributions of profit from the corporation. The lack of profit allocations were caused, in part, by the diversion of corporate revenues to two shell companies as well as the corporation's president and majority shareholder.
- Engaged by a large national corporation to investigate irregularities uncovered at the operations of a subsidiary. The investigation determined that key management worked

collaboratively to develop and present fraudulently inflated financial statements to its parent in order to ensure the parent continued to annually advance in excess of \$1.5 million to the subsidiary to fund its operations. Additionally, the investigation identified over \$100,000 in unauthorized payments of a personal nature made on behalf of the subsidiary's manager. The matter was referred to federal law enforcement authorities for criminal prosecution.

- Engaged by a large national financial institution to investigate irregularities identified by its internal audit staff relating to loans made to a customer involved in factoring accounts receivable. The investigation identified an approximately \$6 million scheme whereby the bank's customer was factoring receivables of related parties, and was submitting fictitious invoices to the bank as collateral for increased funding. The investigation resulted in negotiations with the bank's customer to repay the bank, and was also used as the basis for a referral to federal law enforcement officials.
- Engaged by a manufacturer and distributor of computers used exclusively in the retail banking industry. The client had been the victim of a scheme perpetrated by an employee responsible for assisting Eastern European customers finance substantial purchases. The investigation focused on a detailed review of all transactions this individual had participated in to ensure the entire theft had been identified, to quantify any additional exposure of the client to further losses due to the issuance of extremely risky credit, and to identify internal control weaknesses. The report was submitted to the client's insurance company as a part of its successful fidelity insurance claim.
- Engaged by a global entity to investigate whether approximately \$26 million in payments to one services vendor in a 21 month period were warranted. The investigation involved conducting analyses of the client's electronic accounting records, at the transactional level, and then comparing the results of those analyses to large data files provided by the global headquarters of the vendor. The investigation also focused on obtaining an understanding of the client's procurement processes related to these types of vendors, and recommending process improvements, as well as obtaining an

understanding of the vendor's operations and procedures.

- Engaged by an entity that manufactures paint and was a victim of a \$350,000 embezzlement by a former controller of one of its divisions. The investigation involved working with client's corporate personnel to quantify and document the theft, obtaining a signed statement from the individual accused, and a referral of the case to the FBI for criminal prosecution.
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- Engaged by the Board of Directors of a public company to investigate the net worth claims made by a former executive of the client company. The former executive had caused the client company to guarantee approximately \$60 million in personal loans that were now in default. The investigation utilized on-line background research, as well as detailed financial analyses of the financial holdings, interests and closely held companies owned by the former executive, to refute his claim of insufficient resources to pay the obligation while also searching for evidence of undisclosed assets or holdings.
- Investigated and quantified a \$20 million loan fraud perpetrated by a customer of a regional bank. Extensive analysis was performed tracing the flow of funds for each of the fraudulent 300 loans into bank accounts controlled by the bank officer and other perpetrators of the scheme. These analyses were used to assist the bank in its preparation of a fidelity bond claim. Through a confidential settlement, the bank was able to recover an undisclosed amount from its insurer.

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- Investigated thefts of assets by an employee totaling nearly \$1 million. The employee's scheme involved deceptive invoicing, lapping of accounts receivable, and a dummy vendor company incorporated by the employee. The investigation helped to quantify and document the loss for both the filing of a fidelity bond claim, as well as assisting the FBI with its criminal investigation.

6. Educational Background

Michael G. Fahndrich, CPA

Audit Shareholder

Certifications

- Certified Public Accountant

Education

Bachelor's Degree in Accounting, Walsh College of Accountancy and Business Administration. Mr. Fahndrich attends over 40 hours of continuing professional education annually with concentrations in governmental and non-profit, accounting concepts, auditing standards, financial management, and business topics.

Mike is licensed in the State of Florida and is in compliance with governmental CPE requirements.

Professional Memberships

American Institute of Certified Public Accountants

Florida Institute of Certified Public Accountants.

Stephen M. Nelder CPA, CFE

Vice President, Anti-Fraud Services

Certifications

- Certified Public Accountant
- Certified Fraud Examiner

Education

Bachelor of Business Administration, Kent State University, 1978

Certified Public Accountant, 1985

Certified Fraud Examiner, 1989

Speeches, Presentations and Publications

- Presentation to the Fourth Annual John Carroll Internal Auditing Symposium, "Tools for the Investigative Auditor," March, 1996.
- Presentation to the American Payroll Association, Cleveland Chapter, "Payroll Fraud Schemes, December, 1999.
- Presentation to Akron/Canton Chapter of the Ohio Society of Certified Public Accountants, "Beyond Compliance with SAS 82: Tools and Techniques for the Prevention and Detection of Fraud," January, 1999.
- Presentation to the E&Y Healthcare Practice at the E&Y Training Center, "Fraud and the Investigative Accountant", October 26, 2000.
- Presentation to Kaleida Health Management, "Clinical Pharmacokinetics Laboratory", January 2, 2001.
- Presentation to the E&Y New Senior School, "Fraud and the Investigative Accountant", January 20, 2001
- Presentation to the joint meeting of the Northeast Ohio Chapters of the Institute of Internal Auditors and Certified Fraud Examiners, February 5, 2001
- Presentation to The American Society for Industrial Security, February 16, 2001
- "Construction Fraud" publication, Ernst & Young Excerpt, March, 2001
- Presentation to the E&Y IAS Practice-Leaders Conference, "The Forensic and

Investigative Accountant, April 11, 2001.

- “Construction Fraud – The Cost of Doing Business?” article published in Construction Law and Business, Edited by Kirkpatrick & Lockhart LLP, May/June 2001.
- Co-Presenter at the John Carroll Symposium for Internal Auditors, “SAS 99 and Its Impact on Internal Auditors,” March 3, 2003
- Presentation to Northeast Ohio IIA-ACFE joint meeting, “How to Prove a Kickback: A Case Study,” January 12, 2004.
- Presentation to Cleveland State University Beta Alpha Psi, “Forensic Accounting: An Introduction and Overview,” February 24, 2004.
- Presentation to Society of Competitive Intelligence Professionals, “Business Fraud and Ethics”, April 29, 2004.
- Presentation to The Financial Executives Networking Group, “Occupational Fraud”, September 13, 2004.
- Presentation to Stark State College, “Forensic Accounting: An Introduction and Overview,” October 12, 2004.

Testimony Experience

Case: Uniroyal Goodrich Tire Company v. Jack H. Munnis, et al.

July, 1990 – Venue: United States District Court, Northern District of Ohio

Mr. Nelder testified as an expert by deposition.

Case: Burris Foods, Inc. v. Michelin Tire Corporation

February, 1994 – Venue: United States District Court, District of Delaware

Mr. Nelder testified as an expert by deposition and at trial.

Case: Uniroyal Goodrich Tire Company v. Mutual Trading Company, et al.

June, 1994 – Venue: United States District Court, Northern District of Illinois

Mr. Nelder testified as an expert by deposition and at trial.

Case: Robinson v. Mentzer & Vuillemin, et al.

June, 1999 – Venue: Summit County, Ohio Common Pleas Court

Mr. Nelder testified as an expert by deposition.

Case: Lake Service Shipping Co. v. Upper Lakes Barge Company

March, 2002 – Venue: Law Offices of Marwedel, Minichello & Reeb, P.C.

Arbitration Panel: Warren J. Marwedel, William L. Elson and C. Peter Theut

Mr. Nelder testified as an expert by deposition and at arbitration proceedings.

Case: Spectrum Contracting, Inc. v. CGI Silvercote, Inc./Perfect R, Inc.

Arbitration No. 71 E 133 00578 99

Professional Memberships

Association of Certified Fraud Examiners

1989 – present.

Northeast Ohio Chapter of Association of Certified Fraud Examiners

Vice President – 1996 – 2003 President 2003 – present.

Institute of Internal Auditors

1987 – present.

Lance C. Randolph, CPA, CFE

Director – Anti-Fraud Services

Certifications

- Certified Public Accountant
- Certified Fraud Examiner

Education

- BS, in Business Administration, Major in Accounting - The Ohio State University

Presentations

- Fraud and the Forensic Accountant - Co-Presenter to a chapter of the Ohio Society of CPA's, February 10, 2000.
- Travel & Entertainment Expense Fraud – Presenter to a co-meeting of the IAA and Northeast Ohio Chapter of the Association of Certified Fraud Examiners, February 4, 2002.
- SAS 99 and Its Impact on Internal Auditors – Co-Presenter at the John Carroll Symposium for Internal Auditors, March 3, 2003
- Overview of SAS 99 - The Professions Response– Co-Presenter at the Pittsburgh Chapter of the Institute of Internal Auditors, April 7, 2003
- Overview of SAS 99 - The Professions Response–Presenter at the Michiana Chapter of the Institute of Internal Auditors, May 16, 2003
- Presentation to Cleveland State University Beta Alpha Psi, "Forensic Accounting: An Introduction and Overview," February 24, 2004.
- Guest Lecturer – Baldwin-Wallace College – Principles of Fraud course 2004 – 2005

Testimony Experience

Michael J. Downing v. John M. Izquierdo, et al.

- Court of Common Pleas – Cuyahoga County, Ohio Case Number: CV-03-494775
- Mr. Randolph testified at deposition and trial in 2005.

Professional and Personal Associations

- American Institute of Certified Public Accountants
- Ohio Society of Certified Public Accountants
- Association of Certified Fraud Examiners
- Northeast Ohio Chapter of the Association of Certified Fraud Examiners
- Current Treasurer, Former Secretary
- Burton Township Zoning Commission – Chairman

7. Professional Experience

The professional experience of assigned individuals in auditing relevant government or similar organizations has previously been addressed in Proposal Item 5, Professional Experience.

8. References

Anti-Fraud references contracted through Mr. Nelder & Mr. Randolph:

Edward E. Wilcox
Director of Internal Audit
NACCO Industries Inc.
5875 Landerbrook Drive
Mayfield Heights, Ohio 44124
ewilcox@naccoind.com
(440) 449-9638

John S. Chapman
John S. Chapman, Esq. Ltd.
700 West St. Clair Avenue
Cleveland, Ohio 44113
jchapman@jscltd.com
(216) 241-8172

Aparesh Paul
Levin & Associates Co., L.P.A.
The Tower at Erieview – Suite 1100
Cleveland, Ohio 44114
(216) 928-0600

Additional references contracted through Mayer Hoffman McCann P.C.:

Alan Rumney
U.S. Pentagon
GovWorks/Department of the Interior
381 Elden Street
Herndon, VA 20170
(703) 787-1329

Candace Tysdal
Financial Operations Manager
City of Santa Monica, California
1717 4th Street, Suite 250
Santa Monica, CA 90401
310 458-8281

Dave Scott
Finance Director
City of Overland Park
8500 Santa Fe Drive
Overland Park, KS 66212
Telephone: (913) 895-6000

9. Conflict of Interest

No conflict of interest exists between Mayer Hoffman McCann P.C. and the Town of Davie or any other party associated with this special-purpose audit engagement.

10. Liability Insurance

We affirm Mayer Hoffman McCann P.C. is adequately insured through a third party insurance carrier to cover claims.

11. Regulatory Action

There exists no regulatory action taken against Mayer Hoffman McCann P.C. or any individual of the engagement team.

12. Town Staff Assistance

We anticipate receiving from your personnel, at a minimum, any internal audit or similar reports addressing internal control matters. Since this engagement is forensic in nature, we will be focusing on your internal control systems and procedures and will need to "walk through" these systems with an appropriate member of the Town's staff. In addition, we will require access to documentation of transactions in areas determined to have fraud vulnerabilities. We also anticipate conducting interviews with many of the Town's staff.

13. Capability to Satisfy Requirements

The combination of engagement shareholder Mike Fahndrich, a Florida CPA practicing in South Florida for over 20 years, and the Anti-Fraud Service team of Lance Randolph and Stephen Nelder make Mayer Hoffman McCann P.C. uniquely qualified to perform forensic auditing procedures for the Town of Davie.

The opportunity to provide these services to governmental entities, nonprofit organizations, and mid-size businesses is exactly why Mayer Hoffman McCann P.C. recently aligned itself with these two professionals. Mr. Randolph and Mr. Nelder are experts in anti-fraud services and forensic accounting and their resumes demonstrate how in-depth their talent extends. For most of their careers, they have been providing the very same services the Town of Davie is requesting in this RFQ and the detailed test work expected to follow.

Mayer Hoffman McCann P.C. has provided premier professional accounting, tax, and audit services since 1954. As a national firm, we have a network of CPA partners that stretches across the country, yet is still tightly connected. Our firm's contacts and experiences are shared to provide the best possible solutions for all of our clients' needs. We view this relationship and communication amongst our national partners as a major benefit to our clients. We also encourage all of our staff to function as parts of a team, communicating and discussing issues and options, in an effort to maximize the productive usage of our knowledge and experiences.

Mayer Hoffman McCann P.C. has a strong list of governmental clients. However, each of our local offices maintains a very manageable governmental client base. This is by design. This allows Mayer Hoffman McCann to offer our governmental clients a higher level of involvement from our management level professionals. It is our philosophy that to significantly increase our presence in this area would take away from the diversity of knowledge of our professionals and would not be to the benefit of our clients, governmental or otherwise. We are proud of the effectiveness of this approach and of the service that we are providing (and have provided) to our governmental clients and

encourage you to contact the references included in our proposal. We are aware of no municipal client we have served that was not fully satisfied with the quality and timeliness of our performance.

14. Independence

We affirm that Mayer Hoffman McCann P.C. is independent of the Town of Davie as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

15. License to Practice in Florida

We affirm that Mayer Hoffman McCann P.C. and Michael G. Fahndrich, Shareholder and Engagement Director, are properly registered and licensed to practice in the State of Florida.

16. Insurance Requirements

We affirm that Mayer Hoffman McCann P.C. can and will comply with the insurance requirements as enumerated in this RFQ.

**PROPOSAL TO PROVIDE PROFESSIONAL
FORENSIC AUDITING SERVICES, B-06-47
TO:**



TOWN OF DAVIE, FLORIDA



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

**SUE ANN BUNEVICH, SHAREHOLDER
MOORE STEPHENS LOVELACE, P.A.
18167 U.S. HWY. 19 NORTH., STE. 650
CLEARWATER, FL 33764
T: 727-531-4477/ F: 727-538-2154
sbunevich@mslcpa.com**

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LETTER OF TRANSMITTAL



MOORE STEPHENS LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

March 14, 2006

FORENSIC AUDITING SERVICES, B-06-47
Town of Davie

Ladies and Gentlemen:

Moore Stephens Lovelace, P.A. ("MSL") sincerely appreciates this wonderful privilege and opportunity to provide you with our credentials and capabilities to serve as the Town of Davie ("the Town") forensic auditors. We've assembled a team of governmental/forensic audit specialists with substantial experience in auditing/consulting municipalities like yours. This team already possesses the necessary prerequisite qualifications and experience to serve as your forensic auditors.

Experience and Responsiveness

Our Firm will provide the Town of Davie with high-quality, responsive professional service. Our engagement team leaders have extensive experience in providing professional accounting, auditing and consulting services to Florida municipalities. Our proposed audit team will be headed by **Sue Ann Bunevich**, Engagement Shareholder, has over 19 years experience, is a Certified Fraud Examiner (C.F.E.) and has uncovered the theft of \$700,000 and assisted in the recovery of the stolen funds. The team also includes Technical Reviewer **Dan O'Keefe**, who also has over 30 years of public sector experience, who is recognized throughout the state as a top expert in the area of governmental auditing and is one of the most sought after public sector instructors in the state of Florida. He has worked on several engagements, including fraud in governmental entities. Your supervisor will be **Mindy Arroyo**, who has over 13 years of audit and public accounting experience. Together, they collectively possess nearly 60 years of concentrated governmental industry experience. We are proud to have the unique ability to offer and use extremely seasoned professionals to manage your engagement. Quite frankly, this alone sets us apart from our competitors.

What Makes Us Different?

The Town recently appointed MSL to perform a review of the Town's procurement system and identify areas for improvement and policies and procedures that would be considered best practices. We are the only firm that would be able to coordinate these two engagements, which we believe would maximize efficiency and provide the Town with the best feedback.

LETTER OF TRANSMITTAL

FORENSIC AUDITING SERVICES, B-06-47
Town of Davie
March 14, 2006

Page 2

Technical Matters and Other Important Issues

Keeping up with the numerous technical matters associated specifically with the governmental industry is extremely difficult for firms who are not continuously involved in practicing in this industry. **Dan O'Keefe** develops training courses for the governmental sector and trains finance officers and CPA's across Florida and other parts of the United States. He has served on various technical committees of the Florida Institute of CPA's, the Florida State Board of Accountancy, the Office of the Auditor General, the Florida Government Finance Officers Association, and authored the Florida Single Audit Act. **Sue Ann Bunevich** has extensive experience working as a strategic advisor to clients in the areas of internal control and fraud detection.

Your Needs Come First

You need a firm that will provide an efficient, cost-effective, high-quality forensic audit within critical time constraints. You need a firm with the prerequisite experience to perform your forensic audit according to stringent legal and regulatory requirements, a firm that understands the complex nature of governmental operations and their very unique compliance and reporting requirements. You need a firm with industry specialists recognized and respected within the financial and governmental communities. And, certainly, you need a firm that will provide you with the valuable feedback to enhance your current and future operations. Moore Stephens Lovelace is that firm.

We fully recognize the significance of this opportunity to serve the Town of Davie. We have committed our very best people to your engagement, and we promise that we can be a valuable resource to your government. As Engagement Shareholder, I am authorized to make representations for the engagement team. I may be contacted at my office (727) 531-4477 or my cell phone (813) 789-7528.

Pursuant to your Request for Proposal, we herein offer our express agreement to meet or exceed the performance specifications stated in your RFP within the specified time period.

Thank you for considering our Firm in your forensic auditor selection process. If you have any questions concerning our proposal, please feel free to contact me at your earliest convenience.

Sincerely,

Douglas G. Palmer, CPA on behalf of
Sue Ann Bunevich, CPA
Engagement Shareholder

ADMINISTRATIVE MATTERS

INDEPENDENCE {RFQ Reference - #14}

MSL is independent of the Town of Davie, as defined by the U.S. General Accounting Office's *Government Auditing Standards* (1994).

LICENSURE {RFQ Reference - #15}

MSL and its professional staff are licensed to practice in the state of Florida.

CONFLICT OF INTEREST {RFQ Reference - #9}

The Firm was recently engaged by the Town of Davie to provide consulting services related to the Town of Davie's procurement system made up of the purchasing, receiving, accounts payable and disbursements functions.

However, this relationship should not be a conflict of interest with the Town of Davie or any other party associated with this special audit engagement.

REGULATORY ACTION {RFQ Reference - #11}

The Firm has undergone successful peer reviews, without letters of comment, since participation in the Private Companies Practice Section ("PCPS") of the American Institute of Certified Public Accountants. No regulatory action has been taken by any oversight body against our Firm or any individual of our engagement team.

INSURANCE REQUIREMENTS { RFQ Requirements - #10 & #16}

MSL is adequately insured to cover potential liability claims up to \$3,000,000 per claim and \$3,000,000. Our policy has \$3,000,000 aggregate limit of liability. A copy of our policy is shown on the next two pages.

When the engagement letter is signed by both interested parties, the entity can request a "certificate of insurance", this is when the insurance company names the entity as the insured.

ADMINISTRATIVE MATTERS

INSURANCE REQUIREMENTS { RFQ Requirements - #10 }

Errors and Omissions/Professional Liability Insurance

	CNA INSURANCE COMPANIES CNA PLAZA Chicago, Illinois 60685 (800) 221-8201	DECLARATIONS - ACCOUNTANTS PROFESSIONAL LIABILITY POLICY																		
Notice																				
<p>THIS IS A CLAIMS-MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO "CLAIMS" ARISING FROM WRONGFUL ACTS WHICH ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT, AN EXTENDED REPORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION AMOUNT. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.</p> <p>THROUGHOUT THIS POLICY, THE TERM "INSURER" REFERS TO THE STOCK INSURANCE COMPANY NAMED ON THE POLICY DECLARATIONS.</p>																				
<table border="1"><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>																				
Item 1.	Policy Period: July 1, 2005 to July 1, 2006																			
2.	12:01 a.m. Standard Time at the Principal Address stated in Item 1.																			
Item 3.	<table><tr><td>\$ 3,000,000</td><td>Per Claim Limit of Liability</td></tr><tr><td>\$ 3,000,000</td><td>Aggregate Limit of Liability</td></tr></table>		\$ 3,000,000	Per Claim Limit of Liability	\$ 3,000,000	Aggregate Limit of Liability														
\$ 3,000,000	Per Claim Limit of Liability																			
\$ 3,000,000	Aggregate Limit of Liability																			
Item 4.	<table><tr><td>\$ 100,000</td><td>Aggregate Retention</td></tr><tr><td></td><td>(Defense Costs are subject to Retention Amounts)</td></tr></table>		\$ 100,000	Aggregate Retention		(Defense Costs are subject to Retention Amounts)														
\$ 100,000	Aggregate Retention																			
	(Defense Costs are subject to Retention Amounts)																			
Item 5.	Policy Premium: \$ 143,705																			
Item 6.	Premium for Extended Claim Reporting Period under Section VIII: 100% of last annual premium for 12 month Extended Claim Reporting Period 220% of last annual premium for 36 month Extended Claim Reporting Period 250% of last annual premium for 60 month Extended Claim Reporting Period																			

ADMINISTRATIVE MATTERS

INSURANCE REQUIREMENTS (Continued) { RFQ Requirements - #10 }

Errors and Omissions/Professional Liability Insurance (Continued)

Policy Number ABF-188063463

Item Notice to Insurer under Section VI:

7.

N/A

Item Other Notices to Insurer:

8.

N/A

Item Endorsements forming a part of this Policy at issuance:

9.

G-22520-D (ED. 12/03) Policy Wording

G-39543-B Declarations Page

G-39543-B(1) Nuclear Energy Liability Exclusion Endorsement

G-39543-B(2) Terrorism Coverage Endorsement

G-39543-B(3) Predecessor Firm Endorsement

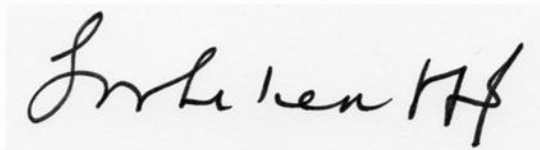
G-39543-B(4) Named Entity Exclusion

These Declarations, along with the completed and signed Application and the Policy, shall constitute the contract between the Insureds and the Insurer.

THIS POLICY IS NOT VALID UNTIL SIGNED BY OUR AUTHORIZED REPRESENTATIVE.

Authorized Representative: _____

Date _____



Chairman



Secretary

G-39543-B

QUALITY REVIEWS AND PEER REVIEWS {RFQ Reference - # 4}

Quality control in any CPA firm can never be taken for granted. It requires a continuing commitment to professional excellence. We are formally dedicated to that commitment.

Our Firm recognizes the long-term significance of developing a formal quality control program. In an effort to continue to maintain the standards of working excellence required by our Firm, we have joined the Private Companies Practice Section ("PCPS") of the American Institute of Certified Public Accountants. To be a participating member firm, you must obtain an independent compliance review of your firm's quality control policies and procedures to ascertain compliance with existing auditing standards on the applicable engagements. The scope of the peer review is comprehensive in that it specifically reviews the quality control policies and procedures of the participating firm's accounting and auditing practice, including their work product in various client industries. We believe that our commitment to the program has been rewarding not only to our Firm, but primarily to our clients.

The external independent peer review of the elements of our quality control policies and procedures performed by an independent certified public accountant selected by the AICPA provides both us and our clients with the assurance that we continue to conform with the standards of the profession in the conduct of our accounting and auditing practice.

Our Firm has undergone successful peer reviews, without letters of comment, since participation in the program. We take quality control seriously. We understand our responsibility in providing you with auditing services that meet or exceed the professional standards established by the AICPA, U.S. GAO, U.S. OMB, Florida AG, and Florida Board of Accountancy.

We also understand our responsibility under *Government Auditing Standards* (the "Yellow Book") to provide you with our most recent peer review report. You will not need to ask us for it. We will send you the most current report when it is issued.

On the following page are copies of the most recent independent peer reviewer's reports of Moore Stephens Lovelace and Harris, Cotheman, O'Keefe & Associates ("HCO"). Dan O'Keefe of Harris, Cotheman, O'Keefe & Associates and his team joined MSL on May 1, 2005. All of HCO's governmental clients were subject to review.

QUALITY REVIEWS AND PEER REVIEWS (CONTINUED) {RFQ Reference - # 4}



Postlethwaite & Netterville
A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

To the Shareholders of
Moore Stephens Lovelace, P.A.
and the SEC Practice Section Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Moore Stephens Lovelace, P.A. (the firm) in effect for the year ended June 30, 2002. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. In addition, the firm has agreed to comply with the membership requirements of the SEC Practice Section of the AICPA Division for Firms (the Section). Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system and the Section's membership requirements based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Section and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it or with the membership requirements of the Section since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Moore Stephens Lovelace, P.A. in effect for the year ended June 30, 2002 has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards. Also, in our opinion, the firm complied during that year with the membership requirements of the Section in all material respects.

Postlethwaite & Netterville

Baton Rouge, Louisiana
January 8, 2003

WILLIAM V. ALLEN, Jr.

Certified Public Accountants

PEER REVIEW REPORT

September 18, 2002

To the Partners
Harris, Cotherman, O'Keefe & Associates

We have reviewed the system of quality control for the accounting and auditing practice of Harris, Cotherman, O'Keefe & Associates (the firm) in effect for the year ended March 31, 2002. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The design of the system and compliance with it are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with the system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Harris, Cotherman, O'Keefe & Associates in effect for the year ended March 31, 2002, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

William V. Allen, Jr.

Peer Review Without Peer

2148 Margarita Drive • The Villages, FL 32159 • (352) 750-9636 • bill@billallen.com

CONTINUING PROFESSIONAL EDUCATION

COMPLIANCE WITH CONTINUING PROFESSIONAL EDUCATION STANDARDS

Our Firm has continued to make a steadfast commitment to professional education. Our active teaching, attendance and participation in CPE is a major part of our objective to obtain the most recent knowledge on issues which are of importance to our clients. We are growing on the reputation for work that our Firm is providing today.

In addition to attending continuing education programs, several members of our professional staff have been recognized for their knowledge and expertise in our profession. Members of the audit team have taught governmental accounting and auditing for the FICPA, AICPA, FAHA GFOA, and FGFOA and have lectured at various accounting conferences held throughout the state of Florida. Additionally, they have developed CPE sessions specific to client needs and have participated in the instruction of these sessions.

Dan O'Keefe, a shareholder with MSL, is recognized as one of the top public sector instructors in the state of Florida and is also well-known on a national level. He has written numerous courses on various subjects related to accounting and auditing. Three years ago, he began a program for in-house training that allowed members of his firm to participate with clients in obtaining the most up-to-date information regarding accounting and auditing. This program is offered to clients at no cost and allows for 16-24 hours of CPE during the year. Unique to this program is that clients host the course at their locations, on a voluntary basis. This is another way we demonstrate our commitment to high-quality, personalized service.

FIRM PROFILE

DESCRIPTION OF THE FIRM

MSL has been in business for over thirty years and has grown to be one of the largest independently owned and operated firms of Certified Public Accountants in the Southeast. We have offices in the Orlando, Miami, Clearwater and Tallahassee markets in Florida and in Macon, Georgia. Through our relationship with Moore Stephens North America, Inc. and Moore Stephens International Limited, we serve clients throughout the world.

MSL provides client service through management consulting, tax and business advisory services, and financial, accounting and assurance services. We have specialized practice groups in the areas of healthcare and clinical consulting, governmental/public sector, not-for-profit, SEC/corporate finance, hospitality/timeshare, employee benefit plans, fraud examination, and business valuation/litigation support. The Firm's professionals combine extensive technical competence and industry experience with proactive and innovative thought to assist clients in improving their businesses.

Our engagements are enhanced through our Firm's affiliation with Moore Stephens. Moore Stephens North America, Inc. and Moore Stephens International Limited is a network of independently owned and operated accounting firms and correspondents with a combined strength of more than 15,000 partners and employees, and 319 offices in 93 countries. In size, fee income, reputation, and longevity, Moore Stephens is the 13th largest accounting and consulting network in the world.

Our Moore Stephens connection allows us to offer the resources of a national firm with local firm responsiveness and personal attention. We believe this unique relationship makes us best positioned to help you meet challenges, remain competitive and run your organization as efficiently and effectively as possible. With Moore Stephens you will receive the local, hands-on attention you deserve with the global resources you need.

MSL is owned 17% by women and minorities, and our entire staff is made up of 67% women and 33% minorities. In 2005, we elected the first African-American President of the Firm, Bill Miller.

The forensic audit will be performed out of the Clearwater office. The chart to the right provides a breakdown of staff.

Florida MSL Staff	
Shareholders	12
Principals	6
Managers	9
Supervisors	8
Seniors	7
Staff	15
Support Staff	29
	86



KEY PERSONNEL

AUDIT TEAM {RFQ Reference #1 & #5}

Our approach to client relationships is to utilize experienced, focused, knowledgeable professionals who take a deep personal interest in our clients' successes and are easy to work with. This leads to strong, interactive relationships based on trust and objectivity. Each member of your service team spends the majority of their time serving governmental entities and not-for-profit providers.

After examining your needs, we have assembled the following team members for your engagement. We believe that, through their involvement with similar clients, they have the necessary experience to make our reports valuable to those who will use them.

Your engagement team is highly experienced in your industry and dedicated to servicing your organization.

Sue Ann Bunevich, CPA, Shareholder, will serve as your engagement shareholder and in this role will be your primary contact at the Firm. Sue has over 19 years of public sector accounting, auditing and consulting experience. As a Certified Fraud Examiner (CFE), her expertise is in the area of fraud prevention, detection, and investigation.

Dan O'Keefe, CPA, Shareholder, will serve as your technical reviewer. Dan has substantial experience with governmental audits and has instructed numerous courses related to Consideration of Fraud in a Financial Statement Audit; and Management Antifraud Programs and Controls. He has more than 30 years of public accounting, governmental and not-for-profit experience dealing with audit and financial reporting issues for counties, municipalities, authorities and not-for-profit organizations.

Mindy Arroyo, CPA, Supervisor, will serve as your audit supervisor. She has more than nine years of experience dealing with fraud and forensic accounting. She has four years experience in the public sector accounting, auditing and consulting experience.

The total number of staff that will be serving on this important engagement will be five team members. The approximate percentage of time each team member will spend on the audit is represented in the table below.

Florida MSL Staff	
Sue Ann Bunevich	15%
Dan O'Keefe	10%
Mindy Arroyo	35%
Staff	35%
Support Staff	5%
Total	100%

STAFF QUALIFICATIONS

COMPOSITION OF THE AUDIT TEAM {RFQ Reference #5 & #7}

The single most important issue for you to consider when comparing audit team qualifications in selecting an accounting firm is who will actually be performing the work? Significant consideration should also be given to the audit firm's commitment for staff continuity. With this in mind, we have assembled a unique team of highly-qualified accounting professionals with over 60 years of combined governmental and nonprofit experience serving our clients. We feel confident that our engagement team members will be returning in subsequent years, because we treat our staff like the professionals they are. They are our greatest asset. They are not members of a staff pool that turns over frequently. They are real people who will be servicing your account for many years to come.

What distinguishes one CPA firm from another is its people. CPA firms are not names, logos, or multi-national extravaganzas. They are groups of qualified professionals who have developed areas of specific industry specialization whose mission is to provide quality service to their clients. Through the networking of specific talents, today's progressive CPA firms can offer a diverse array of industry specializations.

Our commitment to serve you is the driving force in forming the strongest possible team of professionals with governmental/nonprofit experience available in the state of Florida.

For the **Town of Davie**, we are proposing a team of the strongest professional personnel resources of our professional staff. Our audit team will include two highly-experienced shareholders, both of whom have dedicated a substantial part of their professional careers working in the public sector. To ensure that you receive excellent service, you must have excellent professionals serving you. The following is a brief introduction to the shareholders who will diligently serve the Town of Davie:

SUE BUNEVICH ENGAGEMENT SHAREHOLDER

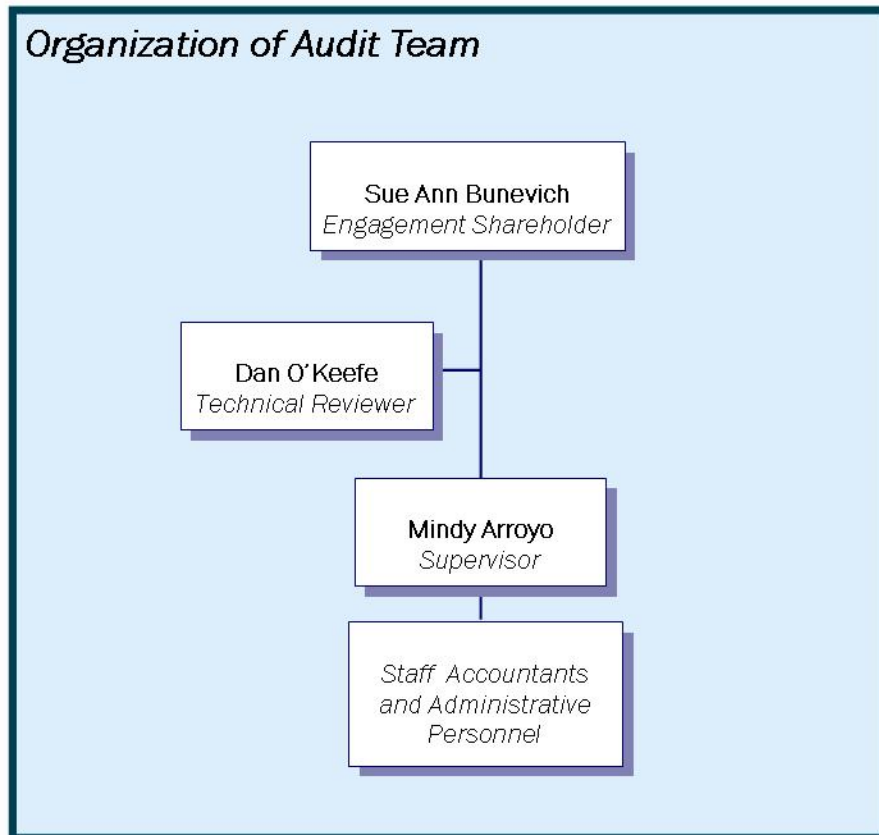
Engagement Shareholder **Sue Bunevich** has extensive experience working as a strategic advisor to clients in the areas of internal control and fraud detection, as well as transactions involving the development of new entities, expansions and refinancing of existing entities. She will be responsible for all phases of the forensic audit and will be the single individual responsible for making certain that all of the Town's needs are met and quality services are provided. She will also be the final decision-maker on all technical issues that arise during the conduct of the engagement. Sue has over 19 years of public accounting and public sector accounting, auditing and consulting experience.

DAN O'KEEFE TECHNICAL REVIEWER

Technical Reviewer **Dan O'Keefe** has nearly 30 years of governmental, nonprofit and public accounting and auditing experience. Considered as one of the most experienced governmental auditors in the state of Florida. He has extensive experience auditing governmental and nonprofit agency financial operations. As project leader of the procurement engagement, he will coordinate his efforts with this engagement to maximize efficiency and scope. He will perform a complete technical review of the engagement to ensure that all professional standards and quality control procedures have been followed. He will also assist in resolving any complex technical issues that arise during the engagement.

STAFF QUALIFICATIONS

ORGANIZATION OF THE AUDIT TEAM {RFQ Reference #1}



STAFF QUALIFICATIONS

PROFESSIONAL EXPERIENCE {RFQ Reference #5}

Below is a partial listing of entities our auditors on the job have served past and present.

Past and Current Clients	Person Assigned to Job	Position	Years on Job
Counties			
Collier	Dan O'Keefe	Engagement Shareholder	1+
DeSoto	Dan O'Keefe	Engagement Shareholder	4+
Indian River	Dan O'Keefe	Engagement Shareholder	10+
Marion	Dan O'Keefe	Engagement Shareholder	5+
Orange	Dan O'Keefe	Engagement Shareholder	1+
Seminole	Dan O'Keefe	Engagement Shareholder	5+
Volusia	Dan O'Keefe	Engagement Shareholder	10+
Municipalities			
Altamonte Springs	Dan O'Keefe	Engagement Shareholder	5+
Casselberry	Dan O'Keefe	Engagement Shareholder	10+
Cocoa Beach	Dan O'Keefe	Engagement Shareholder	1+
Kissimmee	Dan O'Keefe	Engagement Shareholder	5+
Maitland	Dan O'Keefe	Engagement Shareholder	5+
Mount Dora	Dan O'Keefe	Engagement Shareholder	1+
Orlando	Dan O'Keefe	Engagement Shareholder	1+
Palm Bay	Dan O'Keefe	Engagement Shareholder	5+
Palm Beach Gardens	Dan O'Keefe	Engagement Shareholder	1+
Vero Beach	Dan O'Keefe	Engagement Shareholder	10+
Winter Park	Dan O'Keefe	Engagement Shareholder	5+
Authorities			
East Central Florida Planning Council	Dan O'Keefe	Engagement Shareholder	5+
Greater Orlando Aviation Authority	Dan O'Keefe	Engagement Shareholder	1+
METROPLAN	Dan O'Keefe	Engagement Shareholder	5+
Reedy Creek Improvement District	Dan O'Keefe	Engagement Shareholder	10+
VOTRAN	Dan O'Keefe	Engagement Shareholder	5+
TOHO Water Authority	Dan O'Keefe	Engagement Shareholder	1+
Technological Research and Development Authority	Dan O'Keefe	Engagement Shareholder	1+
Public Sector			
Debaix	Sue Ann Bunevich	Forensic Consultant	1 +
Brown Garganese, Weiss & D'Agresta, P.A.	Sue Ann Bunevich	Forensic Consultant	1 +
Waterman Village	Sue Ann Bunevich	Forensic Consultant	1 +

SUE ANN BUNEVICH, CPA, SHAREHOLDER {RFQ Reference #6}

Experience

- Has over 19 years of public accounting and public sector accounting, auditing and consulting experience.
- Has extensive experience working as a strategic advisor to clients in the areas of internal control and fraud detection, as well as during transactions involving the development of new entities, expansions and refinancing of existing entities.
- Has expertise in the areas of fraud prevention, detection and investigation.
- Engaged for Fraud Examination services and uncovered the theft of \$700,000 and assisted in the recovery of the stolen funds.

Specialized Training

- Certified Fraud Examiners Preparation Course - 50 CPE hours
- Presenter at MSL Firm-wide Training 2004 and 2006 - "Fraud"
- Presenter at Florida Association of Homes for the Aging - "Identity Theft"
- Speeches regarding fraud, internal controls, and identity theft to various clients.
- Attends over 40 hours of specialized training related to fraud, forensic, and not-for-profit current issues

Education and Certifications

- B.S. degree in Accounting, West Virginia State College
- Certified Public Accountant (CPA), State of Florida, State Board of Accountancy
- Certified Public Accountant (CPA), State of West Virginia, State Board of Accountancy
- Certified Fraud Examiner (CFE)

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Florida Health Care Association, Assisted Living Facility Committee (FHCA)
- Florida Association of Homes for the Aging (FAHA)
- Assisted Living Facilities Association of America (ALFAA)
- Governor's Continuing Care Advisory Committee
- Retirement Housing Council
- Georgia Association of Homes and Services for the Aging (GAHSA)
- West Virginia Society of Certified Public Accountants

DAN O'KEEFE, CPA, SHAREHOLDER {RFQ Reference #6}

Experience

- Has nearly 30 years of public accounting, governmental and not-for-profit experience, including services provided to 46 municipalities, 13 counties, four state agencies and numerous special districts and authorities.
- Provides progressive consulting, management and auditing services in the areas of public service taxes, franchise fees and ad valorem taxes, with an emphasis on maximizing municipal revenues in these areas.

Specialized Training

- Provides Continuing Professional Education ("CPE") services to local and regional firms in the Southeast. Develops and instructs courses on not-for-profit and governmental topics.
- Served 4 years on the Florida Board of Accountancy CPE Committee.
- Serves on the CPE faculties of the AICPA and FICPA.
- Three-time recipient of the FICPA Outstanding Seminar Leader Award and two-time recipient of the AICPA Outstanding Instructor Award.
- Author of the FICPA course entitled *Performing the Single Audit Under OMB Circular A-133*; Author of the Accountants Education Group course entitled *Introduction to Governmental Auditing*; Co-Author of *A State Lottery: A Challenge for Auditors*; Co-Author of *Auditing Budget Requirements for Florida's Local Governments*; Author of the *1996 Single Audit Requirements*.
- During the past two years, has earned over 200 hours of CPE in the area of public sector accounting and auditing.
- Has instructed numerous courses on fraud prevention and detection.

Education and Certifications

- B.S. degree, Accounting, Canisius College in Buffalo, New York
- Certified Public Accountant - State of Florida, State Board of Accountancy
- Candidate for Florida State University MBA

Professional Affiliations

- Member of the AICPA, FICPA, GFOA, and FGFOA
- Past Chairman of the FICPA State Legislative Policy, CPE, Chapter Liaison and State and Local Government Committee
- Member of the FICPA Standards Review Committee
- Past President of the Volusia Chapter of the FICPA
- Member of the FICPA Board of Governors
- Member of the GFOA Special Review Committee since 1984
- Member of the FGFOA Technical Resource Committee
- Past member of the FGFOA Legislative and Conference Host Committees
- Past Chairman of the Deltona Feasibility Study Committee
- President of the Independent Government Auditors Association of Florida, Inc. ("IGA AF")

MINDY ARROYO CPA, SUPERVISOR {RFQ Reference #6}

Experience and Training – Professional

- Has over 4 years experience in Public Accounting as well as 9 years of corporate audit experience
- Has experience in preparing financial and market feasibility studies, market forecasts and projections, fraud investigation and forensic accounting
- Worked on the audit of City of Harrisburg (PA) for 4 years
- Conducted all aspects of internal fraud investigations utilizing her financial, legal and operational knowledge while she worked as the internal auditor for a publicly traded company.
- Worked with law enforcement officers and prosecutors that resulted in successful felony convictions and restitution money approximated \$100,000.

Specialized Training

- May 2004—Attended 5th Annual Fraud & Computer Crimes Seminar-Tampa Chapter of CFE
- May 2005—Attended 6th Annual Fraud & Computer Crimes Seminar-Tampa Chapter of CFE
- November 2005 - Completed an AICPA course called “Fraud in the Government & Not-for-profit environments.”

Education and Certifications

- M.B.A. Degree, Lebanon Valley College, PA
- B.S. Degree in Accounting, Bloomsburg University, PA
- Certified Public Accountant – State of Pennsylvania, Board of Accountancy
- Certified Staffing Professional (CSP™)

GOVERNMENTAL EXPERIENCE

ENTITIES SERVED {RFQ Reference #2}

Below is a partial listing of MSL's services performed related to auditing, fraud examinations, litigation support, and consulting.

Past and Current Clients	Type of Services	Years Served	Current Client
Counties			
Collier	L	1+	X
DeSoto	C	4+	X
Indian River	A	10+	
Marion	C	5+	X
Orange	L, C, F	1+	
Seminole	A	5+	X
Volusia	L, A	10+	X
Municipalities			
Altamonte Springs	A	5+	X
Casselberry	A	10+	X
Cocoa Beach	A	1+	X
Kissimmee	A	5+	X
Maitland	A	5+	X
Mount Dora	A	1+	X
Orlando	A	1+	
Palm Bay	A	5+	X
Palm Beach Gardens	C	1+	X
Vero Beach	A, F	10+	
Winter Park	A	5+	X
Authorities			
East Central Florida Planning Council	A	5+	X
Greater Orlando Aviation Authority	A	1+	
METROPLAN	A	5+	X
Reedy Creek Improvement District	C	10+	X
VOTRAN	A	5+	X
TOHO Water Authority	A	1+	X
Technological Research and Development Authority	C	1+	X
Public Sector			
Debaix	F	1+	
Brown Garganese, Weiss & D'Agresta, P.A.	F	1+	
Waterman Village	F	1+	

Legend: L= Litigation support C= Consulting A= Audit F= Fraud Examination #+= Years served X= Current client

SERVICES PROVIDED TO GOVERNMENTAL CLIENTS {RFQ Reference #3}

Members of our audit team have provided auditing and accounting services to governmental and not-for-profit clients for over 25 years. Some of the professional accounting, auditing and management consulting services currently provided to our clients include the following:

- Investigation and legal documentation of improper utilization of company assets for personal use;
- Internal control and operational system reviews;
- Development of anti-fraud programs;
- Review of operations for compliance with policies and procedures;
- Annual financial and compliance audits, including Single Audits of federal and state financial assistance and awards under OMB Circular No. A-133 and Chapters 10.500/10.600, Rules of the Florida Auditor General;
- Assistance on early implementation of the financial reporting requirements of GASB Statement No. 34;
- Special compliance audits to report compliance with applicable local, state, and federal laws and regulations (for support agencies);
- Issuance of Comfort Letters and Consent Letters in conjunction with the issuance of tax-exempt debt obligations, including compiling financial data and interim period financial statement reviews;
- Issuance of certifications and special reports to document compliance with special provisions and or covenants of outstanding debt issues;
- Issuance of special reports to confirm the mathematical accuracy of amounts placed in escrow for advance refundings;
- Calculation of estimated and actual federal arbitrage rebates;
- Providing professional assistance and testimony for the validation of bond offerings;
- Assisting in providing presentations for bond ratings with Standard and Poors Corporation and Moody's Investor Service; and
- Assisting in compiling historical financial data for first-time and supplemental submissions for GFOA Certificate of Achievement for Excellence in Financial Reporting. We have assisted over 30 governmental entities in this area.

ENGAGEMENT METHODOLOGY {RFQ Reference #13}

We will perform forensic auditing procedures for the Town of Davie. The procedures will be performed in accordance with the Auditing Standards (SAS) 54, Illegal Acts by Clients; SAS 99, consideration of Fraud in a Financial Statement Audit; and Management Antifraud Programs and Controls. Our procedures will be designed to identify operational areas that may be susceptible to fraud and/or abuse, as well as abuses that may have occurred in prior years.

As a means to quantify the analysis and keep costs to a minimum, we expect to utilize the CVA Solution, Inc. Internal Fraud Vulnerability Assessment Tool (IFVAT). The IFVAT is designed to assess the probability of occurrences of fraud in an organization and to assess the physical controls in place. It also specifically addresses fraud schemes that are most prevalent in today's business environment. The IFVAT specifically focuses on the accounting processes including accounts payable, purchasing, payroll, cash receipts, and accounts receivable.

As part of the assessment, we will review existing documentation of the fraudulent activity that was detected in 2005 to gain an understanding of the underlying issues that contributed to the occurrence of fraud. We will then determine if there were additional weaknesses that should be addressed or other areas which may have been compromised.

Our initial procedures will consist of a detailed fraud assessment. This assessment is designed to analyze the Town of Davie's existing financial and physical controls to gain an understanding of your current system for preventing, deterring, and detecting fraud and theft. These procedures will be coordinated with our team who is currently reviewing your procurement system. This analysis will consist of the following:

1. We will review the systems in place by which management obtains information, protection, and control which are vital to the successful operation of any financial operation. We also focus on any required control functions which are established to ensure compliance with federal, state, or local laws and regulations that are required and/or unique to your financial operation.
2. We will perform tests of the relevant internal control systems to determine compliance with your prescribed policies, procedures, laws and regulations, as applicable. Our procedures are also specifically designed to incorporate the requirements of the Statement on Auditing Standards (SAS) 54, Illegal Acts by Clients; SAS 99, Consideration of Fraud in a Financial Statement Audit; and Management Antifraud Programs and Controls, as applicable.

To assist us in identifying specific areas subject to testing, we will use practice aids developed by the FICPA (Compliance Auditing in Florida), Office of Management and Budget (Compliance Supplement for Single Audits of State and Local Governments), and from information obtained from reviewing applicable Florida Statutes.

3. We will test for compliance with applicable laws and regulations simultaneously with testing for compliance with specific internal control systems to efficiently detect all potential problems in advance of our detailed testing procedures.
4. We will determine if there are any areas of operations that are not following the controls or are inappropriately utilizing management overrides.

SCOPE OF AUDIT

ENGAGEMENT METHODOLOGY (Continued) {RFQ Reference #13}

5. We will identify areas where there may be a lack of proper controls in place.

The results of these tests are used to develop an understanding of your internal control systems and to identify specific areas of your overall control environment which may require additional audit attention.

Upon conclusion of our procedures, we will issue a report of our assessment of your current controls and systems including recommendations for improvements to reduce the risk of fraud, errors, and waste. The report will also detail a plan, including cost, for performing any additional work that may be needed to determine the extent of the prior frauds. In addition, we would expect to present our findings in an oral presentation to the Town Council and to respond to any questions that the Council might have.

It is our intention to begin the above procedures immediately upon being engaged. We would anticipate a preliminary report to be available within two to four weeks and a final report within two months.

EXPECTED ASSISTANCE {RFQ Reference #12}

As we perform our procedures, we will need the cooperation from the staff of the Town of Davie. A significant portion of the assessment consists of interviews of staff regarding the controls and procedures that are in place, as well as the actual operation of the procedures. It would be best if we could interview the selected staff in a private area and if they could be made available to us on a timely basis.

In addition to the interviews, we will need to discuss with the appropriate employees their understanding of the fraudulent activity detected in 2005 and what procedures have been implemented or changed since the discovery of the fraud.

FEE PROPOSAL

Services	Fees
Fraud Vulnerability Assessment Evaluation of Internal Controls, and initial quantification of prior fraud	\$20,000
Expenses associated with the engagement, not to exceed	\$2,500

It is our policy to be open and frank on the subject of our fees. We are always prepared to discuss or explain our fee estimates or bills in as much detail as desired. We are very willing to discuss these fees, and ways of reducing them, with you.

Our fees also include:

- **Presentation to the Town Council.**
- **Free attendance for your accounting professionals at our training sessions that are open to our clients.**

It is our policy to provide occasional consultation and assistance through mutual, casual contacts between our Firm and our clients, and we do not bill for this time. Before we take on any other significant engagement, which will necessitate additional fees, we will prepare a separate engagement letter setting forth the fees to be incurred.

REFERENCES

REFERENCES—COUNTIES, MUNICIPALITIES AND AUTHORITIES {RFQ Reference #8}

CLIENT CONTACT INFORMATION	SERVICES PROVIDED	TYPE OF ENTITY
Waterman Village at Mt. Dora Dale Lind 250 Brookfield Avenue Mt. Dora, FL 32757 (352) 383-2199	Fraud Consulting	Not-for-Profit
Seminole County Lisa Spriggs 1101 East First Street Sanford, FL 32771 (407) 665-7172	Annual Audit	County
City of Altamonte Springs Mark DeBord 225 Newburyport Avenue Altamonte Springs, FL 32701 (407) 571-8091	Annual Audit	Municipality
City of Maitland Sharon Anselmo 1776 Independence Lane Maitland, FL 32751 (407) 539-6201	Annual Audit	Municipality
City of Mount Dora Robert Brekelbaum 510 Baker Street Mount Dora, FL 32757 (352) 735-7120	Annual Audit	Municipality
City of Winter Park Wes Hamil 401 Park Avenue Winter Park, FL 32789 (407) 599-3381	Annual Audit	Municipality

REFERENCES

REFERENCES—PRIVATE SECTOR (Continued)

CLIENT CONTACT INFORMATION	SERVICES PROVIDED	TYPE OF ENTITY
Debaix/Ben Soussan c/o Sandy Karlan, Circuit Judge Lawson E. Thomas Courthouse 175 N.W. 1st Avenue Miami, FL 33128 (305) 349-5753	Forensic Accounting	Court Appointed
Brown, Garganese, Weiss & D'Agresta, P.A. Larry Brown 225 East Robinson St., Suite 660 Orlando, FL 32801 (407) 425-9566	Fraud Investigation	Attorney at Law

ATTACHMENTS

ATTACHMENTS {RFQ Reference #17}

The following are the required attachments for the Town of Davie request for qualifications B-06047.

ATTACHMENT 'A'
NON-COLLUSION AFFIDAVIT

State of Florida)
)ss.
County of Orange)

Douglas G. Palmer being first duly sworn, deposed and says that:
(Authorized Agent)

- (1) He/She is the Owner (Owner, Partner, Officer, Representative or Agent) of (Institution name) Moore Stephens Lovelace, P.A., the proposer that has submitted the attached proposal;
- (2) He/She is fully informed regarding the preparation and contents of the attached proposal along with all pertinent circumstances regarding such proposal;
- (3) Such proposal is genuine and is not a collusive or sham proposal;
- (4) Neither the said proposer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other proposer(s), firm or person to submit a collusive or sham proposal in connection with the work for which the attached proposal has been submitted; or to refrain from bidding in connection with such work; or have in any manner, directly or indirectly, sought by person to fix the price or prices in the attached proposal or of any other proposer(s), or to fix any overhead, profit, or cost elements of the proposal price or the proposal price of any other proposer(s), or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against another proposer(s), or any person interested in the proposed work;
- (5) The price or prices quoted in the attached proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the proposer or any other of its agents, representative, owners, employees or parties in interest, including this affiant.

Signed, sealed and delivered
in the presence of

<u><i>Quene M. Ouellette</i></u> Witness	<u><i>Douglas G. Palmer</i></u> Signature
<u><i>[Signature]</i></u> Witness	<u>Douglas G. Palmer</u> Printed Name
<u>3/13/06</u> Date	<u>3/13/06</u> Date

ATTACHMENT 'B'
NON-COLLUSION AFFIDAVIT

ACKNOWLEDGMENT

State of Florida)
County of Orange)ss.

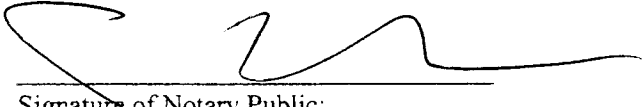
BEFORE ME, the undersigned authority, personally appeared (name) Douglas G. Palmer to me and known by me to be the person described herein and who executed the foregoing Affidavit and acknowledged to and before me that (name) Douglas G. Palmer executed said Affidavit for the purpose therein expressed.

WITNESS my hand and official seal this 13th day of March 20006.



Angela R. Landsberg
My Commission DD230870
Expires July 10, 2007

NOTARY PUBLIC, State of Florida at Large



Signature of Notary Public:
Also Print, Stamp or include Commission number and expiration date if not included in the Stamp.

Type
☒ Personally Known to me or
☐ Produced Identification

N/A

Type of I.D. Produced

☐ DID take an oath, or ☒ DID NOT take an oath.

ATTACHMENT 'C'
CERTIFICATION

The undersigned declares to have specific and legal authorization to obligate its institution to the terms of this Proposal and hereby agrees to furnish the items(s)/services(s) described in the Request for Proposal. I(We) have read the entire document, including the General Information, General Terms and Conditions, and Scope of Work. The undersigned agrees to comply with all of the requirements of the entire Request for Proposal exclusive of those indicated in Attachment "A" Variations section.

Indicate proposer's type of organization below:

INDIVIDUAL

PARTNERSHIP

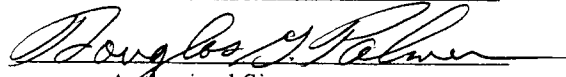
CORPORATION

OTHER

IF OTHER, EXPLAIN:

Moore Stephens Lovelace, P.A.

Audit Firm


Authorized Signature

1201 S. Orlando Ave. Ste: 400

Address

Douglas G. Palmer

Typed/Printed Name

Winter Park, FL 32789

City State ZIP

Shareholder

Title

407-740-5400

Telephone Number

59-3070669

Federal Tax ID

407-740-0012

Fax Number

ATTACHMENT 'D'
VENDOR/BIDDER DISCLOSURE

I, Douglas G. Palmer, being first duly sworn state that: The full legal name and business address of the person(s) or entity contracting with the Town of Davie ("Town") are as follows (Post Office addresses are not acceptable):

Name of Individual, Firm, or Organization:	<u>Moore Stephens Lovelace, P.A.</u>
Address:	<u>1201 S. Orlando Ave., Ste: 400</u>
	<u>Winter Park, FL 32789</u>
FEIN	<u>59-3070669</u>
State and Date of Incorporation	<u>Florida - 1974</u>

OWNERSHIP DISCLOSURE AFFIDAVIT

1. If the contract or business transaction is with a corporation, the full legal name and business address shall be provided for each officer and director and each stockholder who directly or indirectly holds five percent (5%) or more of the corporation's stock. If the contract or business transaction is with a trust, the full name and address shall be provided for each trustee and each beneficiary. All such names and address are as follows (Post Office addresses are not acceptable):

Names, Addresses, and Titles of Individual Who Will Lobby:

Full Legal Name	Address	Ownership	
D. Palmer	1201 S. Orlando Ave., Ste 400 WP, FL 32789	14.6%	%
S. Jones	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	10.75%	%
W. Miller	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	10.75%	%
S. Swindling	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	12.54%	%
K. Murphy	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	8.96%	

2. ~~The full legal names and business addresses of any other individual (other than subcontractors, materialmen, suppliers, laborers, and lenders) who have, or will have, any legal, equitable, or beneficial interest in the contract or business transaction with the Town are as follows (Post Office addresses are not acceptable):~~

Continued from #1.

Full Legal Name	Address	
R. Shuck	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	10.75%
J. Baird	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	8.96%
F. Halikman	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	8.96%
S. Bunevich	1201 S. Orlando Ave., Ste: 400 WP, FL 32789	6.81%

By: Douglas G. Palmer
Signature of Affiant

Douglas G. Palmer

Print Name

Date: March 13, 2006

SUBSCRIBED AND SWORN TO or affirmed before me this 13th day of March
20006 by Personally known to me - () he/she is personally known to me or has
presented N/A as identification.

[Signature]
Notary Public, State of Florida at Large

Angela R. Landsberg
Print or Stamp of Notary

 Angela R. Landsberg
Serial Number DD230870
Expires July 10, 2007

My Commission Expires: _____

Crowe Chizek and Company LLC



**Statement of Qualifications
to Provide
Forensic Auditing Services, B-06-47**

Submitted to:
Town of Davie
Herb Hyman
Procurement Manager
6591 Orange Drive
Davie, Florida 33314

Submitted by:
Mari Reidy, Executive
Crowe Chizek and Company LLC
70 West Madison Street, Suite 700
Chicago, Illinois 60602-4903
Tel. 312.899.7005
Fax. 312.899.5300

MARCH 13, 2006



Crowe Chizek and Company LLC
Member Horwath International

70 West Madison Street
Suite 700
Chicago, Illinois 60602
Tel. 312.899.5000
Fax. 312.899.5300
www.crowechizek.com

March 13, 2006

Mr. Herb Hyman
Procurement Manager
6591 Orange Drive
Davie, Florida 33314

Dear Mr. Hyman:

Thank you for inviting us to submit our qualifications to provide you with information about Crowe Chizek's forensic accounting and investigative services. Please accept this letter as our introduction of the Fraud Investigations Practice within the Forensic Services Group of Crowe Chizek and Company LLC.

We believe our specializations in serving both the public and private sector with forensic accounting and investigative services provide a perfect match for your needs. We are well suited to be of assistance based on the skills and experience of our team and the firm-wide resources we can tap for resolution of investigative issues. Our qualifications are outlined in the following pages. Foremost of these qualifications are:

- Our dedication to the highest quality of professional service.
- A commitment to providing a cost-effective and timely work product.
- An understanding of the unique characteristics of both the public and private sector communities.
- The assignment of senior professionals with relevant governmental experience to the project.

For over 60 years, our clients have come to value our commitment to personal service and integrity. We continually invest in our client relationships providing value beyond the services we perform in order to build long-term relationships. Our professionals possess extensive experience serving the private sector community and understand the time-sensitive nature of investigations. Simply stated, we provide all the specialized resources of a national firm, with a firmwide commitment to excellence.

We appreciate this opportunity to present our qualification for your consideration. Should you have any questions, please contact me at (312) 899-7005.

Very truly yours,

A handwritten signature in cursive script that reads "Mari Reidy".

Ms. Mari Reidy, CPA, CFE
Executive
Crowe Chizek and Company LLC



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1. Firm Experience

1. Firm Experience

A. Firm Profile

Overview

Crowe Chizek and Company LLC (www.crowechizek.com) is an independent certified public accounting firm with 20 offices throughout the United States. Crowe Chizek provides innovative business solutions in the areas of assurance, consulting, risk management, tax and technology. Celebrating more than 60 years of "Building Value with Values," Crowe Chizek is ranked as the #9 largest accounting and consulting firm in the United States, according to the *Public Accounting Report* and the 6th largest accounting and consulting firm in the Chicago market according to *Crain's Chicago Business Professional Firm Survey*. We serve clients worldwide as a leading member of the Horwath International network of public accounting and consulting firms.

We are an organization dedicated to building and delivering value through our ability to work interactively to identify problems, develop and implement solutions, and capitalize on opportunities. We achieve this through a unique management philosophy and a values driven culture based upon integrity, trust, and mutual respect. This culture has allowed Crowe Chizek to provide uncompromised advice and accountability to our clients with a level of responsiveness and attention that clients may not get from other firms.

Horwath International

Crowe Chizek is the leading member firm of Horwath International, an international network of independent accounting and consulting firms, with more than 122 member and correspondent firms with 415 offices in 394 cities across the globe. Through Horwath International, Crowe Chizek offers innovative business solutions throughout the world.

History

Crowe Chizek is a domestic limited liability company (LLC) established in 1942 in South Bend, Indiana. Crowe Chizek operates from offices in Indiana, Illinois, Kentucky, Michigan, New Jersey, Ohio, Tennessee and Florida. Crowe Chizek employs 2,000 professionals across many areas of expertise, ultimately a benefit to you.

Building Value with ValuesSM

We choose to build an inspirational, challenging and values-driven place to live and work, which creates lasting value and growth for our clients, people, communities and our firm.

- ◆ To our clients, we will be their most highly valued advisor with the highest reputation for excellence, innovation and integrity.
- ◆ For our people, we will provide an environment that enables them to make a difference, achieve their full potential, have fun and be part of building something they really care about.
- ◆ To our communities and business alliances, we will be a highly desirable partner in achieving shared social and economic goals.

Desired Future

Crowe Chizek's mission is to create extraordinary value for our clients and for our people by building an organization with a distinctive culture attuned to the needs of our clients, our people, and our communities. We believe that for a partnership to truly succeed, all members of the partnership need to win – the clients who engage us, the professionals who complete the work, and the firm itself. Crowe Chizek seeks to establish a deeper relationship helping management make significant business decisions.

What our clients find is organizations both willing and able to work interactively in order to identify problems, develop and implement solutions, and capitalize on opportunities.

B. Forensic Accounting & Investigative Experience

The Fraud Investigations Practice ("FIP") within the Forensic Services Group of Crowe Chizek offers clients an integrated set of solutions both to reduce their fraud exposure through proven risk management strategies and, should fraud be suspected, comprehensive investigative services to effectively uncover fraud schemes, assess their impact, enable prosecution efforts, and ultimately develop strengthened safeguards.

Our FIP professionals comprise a multi-disciplinary fraud investigation team – which includes certified fraud examiners (CFEs), certified public accountants (CPAs), certified information security professionals (CISSPs), certified information systems auditors (CISAs), certified risk professionals (CRPs), and former law enforcement experts. Our FIP professionals have significant experience conducting internal and external investigations involving fraudulent financial reporting, asset misappropriation and corruption.

Crowe is uniquely positioned to help you investigate fraudulent activity. Because we have deep experience in all facets of public and private industry, we understand your organizational processes and can hit the ground running to begin mitigating your fraud risk or investigating fraudulent activity. Our team can move quickly to uncover and analyze events that result in a loss to your organization, assess damages and provide effective support should your organization pursue litigation.

C. Government Experience

Our experience with the public services sector gives us unique insight into the complexities and challenges of administering government operations and assessing the risks associated with fraud. We perform forensic accounting and fraud investigation, auditing, review and consulting services for a wide range of government organizations. Our projects are designed to offer flexibility during planning, development, and implementation to ensure that our clients receive the highest quality services in the most cost effective manner.

We are aware of the challenges facing governmental organizations who are managing the effects of breaches of trust. Constituents demand and deserve responsive action to fraud. Crowe professionals have experience in balancing the public's demand for quick action with need for thoughtful and deliberate changes to the organization's processes.



2. Responses

2. Responses to Request for Qualifications Requirements

As requested, the following responses are numbered to correspond to proposal requirements listed in section IV of the RFQ.

1. Indicate the number of people (by level) located within the engagement office that will handle the audit, the organization of the audit team, and the approximate percentage of time spent on the audit by each member.

The engagement office for the project will be our Chicago, Illinois, office.

Our Chicago office has the following level of staff that will be assigned to this engagement:

Executives (Quality Assurance)	Mari Reidy, CPA CFE
Senior Manager, Engagement Lead	Emlyn Neuman-Javornik, CPA CFE
Seniors Auditors/Consultant	Ron Hickman, CPA CFE
Staff Auditors/Consultant	Based on specific need of engagement, at least one staff auditor will be utilized
Total Professionals Assigned:	4 or more, as deemed necessary

The approximate percentage of time, based on total hours each member will spend on the engagement are as follows:

Executive (Quality Assurance)	1	2%
Senior Manager	1	28%
Senior Consultant	1	50%
Senior Staff	<u>1</u>	<u>20%</u>
Total:	4	100%

2. Listing of the engagement office's current and prior government and fraud examination audit clients, indicating the type(s) of services performed and the number of years served.

Due to the large number of governmental audit clients and confidential nature of services we provide to both our governmental and private sector clients, we have provided a listing of our governmental clients who have utilized our forensic services. A more detailed description of services provided to these clients is furnished in our response to question 3.

Forensic services governmental clients include:

- Ohio Auditor of State
- Ohio Bureau of Workers Compensation
- Indiana Economic Development Council
- Indiana Public Employees Retirement Fund
- Indiana Office of the Attorney General
- Gary Urban Enterprise Association
- Southwest Chicago Development Commission
- Indiana Family and Social Services Administration

These engagements are forensic in nature and do not have a recurring basis as is the case in financial or compliance audits. Many of our governmental audit clients have been continuous clients over an extended period of time. Crowe boasts governmental clients numbering in the hundreds.

3. Indicate the experience of the engagement office in providing additional services to government clients, in particular experience in performing fraud examinations and forensic accounting, by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.

- The Public Employees Retirement Fund of Indiana officials discovered that they had mistakenly hired a convicted felon as its chief benefits officer, we were called in to conduct an investigation. What was uncovered led to the conviction of three of the agency's employees. It was also discovered that this individual had used another person's name and social security number to fraudulently obtain his senior position with the agency. As the chief benefits officer, this individual had access to the sensitive, personal information of State employees. During the course of the investigation we uncovered evidence of two additional employees who had stolen identities and embezzled funds. All three are now

serving time in jail for these crimes. During the course of our investigation, we worked closely with the State Police and the Assistant U.S. Attorney General to conduct the investigation.

- We were retained by the Southwest Chicago Development Commission audit committee, to investigate allegations of payroll fraud by the accounts payable clerk. Our investigation uncovered a major payroll fraud spanning almost five years, through a review of time sheets, ADP records, other business records of the organization and interviews of key personnel. During the investigation, we also found other means by which the payroll clerk misappropriated assets of the organization, including: misuse of the organization's credit card, theft of household supplies that should have been installed in the organization's building and expense reimbursement fraud. In addition to quantifying the damages that resulted from the misappropriation, our professionals performed a detailed business control and risk analysis and provided the client with recommendations to mitigate their risks.
- We were engaged by the Ohio Auditor of State and the Bureau of Workers Compensation to investigate the potential misappropriation of a \$50 million investment made by the fund in rare coins. During this investigation we worked closely with law enforcement, prosecutors, and other investigative agencies in the coordination of efforts and resources for potential criminal and civil procedures. We determined that, since 1997 approximately \$12 million in investment purchase transactions were unsupported and that the monies were used to fund transactions between the investments manager and related parties. In addition, we determined that profits from the investments due to the state had not been distributed in accordance with the management agreement. We provided Grand Jury testimony related to this matter.
- We were retained by counsel for the benefit of the Indiana Family and Social Services Administration to evaluate the accounting and financial reporting carried out by the management team of one of the agency's service providers. We conducted a financial analysis of the provider's performance of its contracts with the state agency as voucher agent for a county's implementation of a federal government program. Based on our findings, we provided a written report and testimony that the provider's financial reports were inaccurate and that expenditures were not in compliance with federal and state requirements.
- We assisted our clients, the Indiana Economic Development Council and the Gary Urban Enterprise Association's board of directors, in assessing the possible mismanagement and

misappropriation of funds by the program's executive director. The not-for-profit's activities included the purchase and rehabilitation of housing, the incubation of business, and the training of individuals within limited geographical areas. Our investigation uncovered potential fraud in several areas of the program spanning five plus years. We accomplished this through a review of computerized accounting records, banking information, county real estate records, time sheets and other information obtained through a search of the business manager's office, as well as, interviews of the entity personnel and outside individuals involved in the business. During the investigation, we discovered various examples of misappropriation of the organization's assets, including overpayment of bi-weekly payroll, payment of unauthorized bonuses, personal use of the entity's credit cards, use of related party contractors, and a direct relative living in an entity-owned home rent-free. In addition to quantifying the potential losses that resulted from the misappropriation, we provided a detailed report of findings to the audit committee and state Department of Commerce.

4. Peer Review and Compliance

As required by our membership in the AICPA, a peer review is performed every three years by a peer accounting firm. Crowe has received a clean opinion for each of its last eight peer reviews. A copy of Crowe's most recent peer review report can be seen as Appendix B.

In addition, Crowe is one of only eight U.S.-based CPA firms subject to the annual review process of the Public Company Accounting Oversight Board ("PCAOB"). This new process only applies to firms auditing more than 100 SEC registered companies.

5. Engagement office. Listing only relevant experience.

Emlyn Neuman-Javornik CPA, CFE Senior Manager

Emlyn has 12 years of experience in governmental auditing for the State of Montana. During that period she participated in an estimated 70 audits which were required to include the evaluation of internal controls and the agencies' compliance with state and federal regulation. Ms. Neuman-Javornik began her career with the state of Montana Legislative Auditor's Office as a staff auditor and ended as an audit senior responsible for the management and administration of some of the state's largest audits.

Governmental audits that Ms. Neuman-Javornik managed were bi-annual in nature and therefore included two fiscal years in each cycle. Audits she managed included the Montana Department of Revenue- 2 audit cycles, portions of the Department of Public Health and Human Services - 3 audit cycles, the Montana Department of Administration – 3 audit cycles, and the Department of Commerce – 3 audit cycles. She also managed the state’s largest annual financial audit, the Montana Board of Investments.

Ms. Neuman-Javornik will spend approximately 80% of her time on-site during this engagement.

Ron Hickman, CPA, CFE
Senior Consultant

Ron has 11 years of experience performing audits for the State of Tennessee. During that time, he participated in or supervised approximately 15 external financial and compliance audits and approximately 25 fraud investigations involving staff from various levels of state government as well as vendors. Mr. Hickman’s financial and compliance audits included Tennessee Technological University – 4 annual audits including federal compliance, the Tennessee Department of Correction – 1 audit, Tennessee Board of Paroles – 1 audit, the Tennessee Department of Environment and Conservation – 3 audits, Comptroller of the Treasury – 1 audit, and the Southwest Human Resource Agency – 1 audit. His investigations involved individuals and/or vendors in the Department of Health, Middle Tennessee State University, Tennessee State University, the Department of Correction, the Department of Transportation, and the Department of Children’s Services. As the Director of Internal Audit for the Tennessee Department of Finance & Administration, Mr. Hickman audited various internal controls and procedures within the department over a 6-year period and investigated a gubernatorial appointee, a campaign manager of then-Governor Don Sundquist, a State Senator, and a vendor who was allegedly violating contract terms.

Mr. Hickman will spend approximately 90% of his time on-site during this engagement.

6. Describe the relevant educational background of each person assigned to the audit, senior level and higher.

Emlyn Neuman-Javornik, CPA CFE
Senior Manager

Ms. Neuman-Javornik has, in addition to the required 40 hours of continuing professional education to maintain her CPA designation, received extensive training in the area of fraud investigation, detection, and prevention over her career. Each year she has attended the premier forum on fraud, the Association of Certified Fraud Examiners annual conference. This conference in 2003, 2004, and 2005 accounted for 24, 44, and 24 hours of education, respectively. In 2005 she attended the Emerging Trends in Fraud conference offered by the Ohio Auditor of State. This conference was directed to governments of all levels and focused on the effects of fraud on governmental organizations. She will be speaking at the Emerging Trends Fraud conference this year on the topic of indicators of fraud and how internal controls can assist in the prevention of fraud.

To maintain the most up to date knowledge of the changing areas in government auditing and accounting, Ms. Neuman-Javornik each year attends the Governmental Auditing and Accounting Education Network's annual auditing and accounting update. This is a 20 hour course covering new governmental accounting guidance, the latest issues facing governments, and new auditing standards for the profession.

Ron Hickman, CPA CFE
Senior Consultant

Mr. Hickman has attended training specific to fraud investigation and governmental accounting and auditing in each of the past 13 years. In order to maintain his CPA designation, he has attended a minimum of 40 hours of continuing education classes each year. The Certified Fraud Examiner designation additionally requires fraud-specific training. Mr. Hickman annually attends the Nashville Chapter of the Association of Government Accountants' 16-hour Winter Seminar to stay current in his knowledge of governmental accounting and auditing standards and emerging issues. Each year he has attended the Middle Tennessee Chapter of the Association of Certified Fraud Examiners' Annual Fraud Conference to obtain 16 hours of training on current fraud investigation and prevention methodologies. In October 2005, the Middle Tennessee Chapter also provided Mr. Hickman with 8 hours of fraud training related to prosecution. In August 2004, Mr. Hickman attended a 16-hour seminar on auditing for internal fraud hosted by the Association of Certified Fraud Examiners.

In 2005 he attended a 3-day conference on internal audit best practices hosted by the Institute of Internal Auditors (IIA). The Nashville Chapter of the IIA has provided Mr. Hickman with 8 hours of government-specific audit training for 3 of the past 4 years, and in 2004, Mr. Hickman had the privilege of being a speaker for 2 hours of this seminar.

7. Describe the professional experience of assigned individuals in auditing relevant government or similar organizations, programs, activities, or functions.

**Emlyn Neuman-Javornik, CPA CFE
Senior Manager**

Ms. Neuman-Javornik has extensive audit experience in all aspects of government audit. She has performed assessments of internal controls over every facet of governmental administration for weakness in the controls that may allow for exploitation. Under SAS 99 she was responsible for the evaluation of areas that may pose a material fraud risk to the organization. Specifically, she has been involved in the evaluation of internal controls in the areas of revenue collection, accounts payable, expenditure recognition, and asset management. Many of the state agencies she worked closely with are of comparable size to the Town of Davie.

**Ron Hickman, CPA CFE
Senior Consultant**

Mr. Hickman has significant experience investigating vendor and procurement fraud. These investigations have resulted in recommendations for the improvement to internal controls in order to lower the risk of future occurrences of fraud.

8. Provide the names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for reference.

Ms. Pam Vest
Chief Legal Counsel
Ohio Auditor of State
88 East Broad Street
Columbus, Ohio 43215
(614) 466-4515

Jerome McCluskey, Esquire

(former Chairman, Indiana State Urban Enterprise Zone Board and General Counsel, Indiana Department of Commerce)

Baker & Daniels

600 E. 96th Street, Suite 600

Indianapolis, IN 46240

(317) 569-4834

Forrest Bowman, Jr.

Bowman, Cosby & Bowman,

1 North Pennsylvania St., Suite 630,

Indianapolis 46204

(317) 632-6584

9. Identify any potential types of conflicts of interest (fact or appearance) with the Town of Davie or any other party associated with this special audit engagement.

At this time, we know of no conflicts of interest either in fact or appearance with the Town of Davie or any other parties associated with this engagement.

10. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.

The liability limits, as listed under subsection 14 of the general terms and conditions section of the RFQ, are within our commercial policy limits. We believe these to be adequate to cover any potential claims.

11. Describe any regulatory action taken by any oversight body against the proposing audit organization, local office, or individual of the engagement team.

There has been no regulatory action taken against our firm, any local office of our firm, or any individual on the anticipated engagement team.

12. Describe assistance expected from the Town staff.

We will endeavor to minimize the time requirements placed on Town staff during the engagement because we are aware the workloads of government employees. In assessing the internal controls and procedures of the Town Administrator's Office, we will need access to employees to obtain their candid

and honest feedback and descriptions of the internal control procedures and to have them provide us with documentation related to the procurement and payable processes. We respect that your staff have ongoing responsibilities and will make every attempt to minimize any disruptions. However, in order to assess the controls and procedures, interviews and discussions with your staff will be necessary.

13. Provide a straightforward, concise description of the proposer's capability to satisfy the requirements of the RFQ.

Crowe Chizek and Company LLC has over 2000 individuals on staff the forensic services group can draw on to provide expertise in both the disciplines of governmental audit and forensic accounting. The individuals we will put "on the ground" in Davie are experts in the area of internal control evaluation and fraud risk. They collectively have over 25 years of governmental audit and investigative expertise. We will be responsive, efficient and flexible in order to provide the Town of Davie with the best possible service.

The graphic below outlines our approach for this engagement.

Stage 1: Orientation and Preliminary Document Gathering
Stage 2: Interviews of Key Personnel
Stage 3: Assessment of Areas of Potential Risk, if any
Stage 4: Development of Recommendations and Strategy
Stage 5: Report of Findings, Recommendations and Strategy.

14. Independence. The firm should provide an affirmative statement that it is independent of the Town of Davie as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

Our firm is independent of the Town of Davie in accordance with Generally Accepted Auditing Standards promulgated by the U.S. Government Accountability Office.

15. License to Practice in Florida.

Crowe Chizek and Company LLC is properly licensed and registered in the State of Florida. Staff assigned to this engagement will be permitted to practice in Florida.

16. Insurance Requirements

Crowe can and will comply to the best of its ability with the insurance requirements as outlined in Section VI, Paragraph 14 of the Request for Qualifications.

17. Completion of all Attachments, A-D.

Attachments 'A', 'B' and 'D' are completed and can be found in Appendix C.

Attachment 'C' has not been completed at this time as pursuant to communication from Mr. Herbert Hyman it is our understanding the Scope of Work has yet to be determined by the Town Council. Furthermore, "Attachment "A" Variations section" as noted in Attachment 'C' is not identified in the RFQ.



3. Other Matters

A. Timeline

We will make every attempt to be as responsive to your needs as possible, and envision commencing the investigation within two to three weeks of receipt of a signed engagement letter.

The schedule of investigations is difficult to predict with accuracy due to the unpredictability of the availability and magnitude of documentary and electronic evidence. A schedule will be established during the orientation stage and updated throughout the life of the investigation.

B. Project Team

Our strength is our ability to provide, on an ongoing basis, immediate and responsive service by knowledgeable personnel. The people who will work with you have extensive experience in the areas of Governmental forensic accounting and investigative backgrounds. The team will collaborate with other professionals from Crowe Chizek as necessary for industry best practices, accounting support, and electronic data recovery and analysis. In Appendix A, we have included resumes for professionals representative of those who would be assigned to your projects.

C. Progress Reporting

Reporting upon the progress of the project will be determined during the orientation stage of the investigation and will be as required by you. As with many investigations, it will likely include a combination of periodic written memoranda, teleconferences, and face-to-face meetings.

D. Hourly Billing Rates

Most clients find that our rates are very favorable relative to our competitors. Our advantageous fee structure affords Crowe Chizek executives the freedom to remain closely involved with the needs of our clients. In fact, even with increased access to our most experienced professionals, engagement fees typically reflect very cost-effective blended rates for our clients. Fees for investigation assignments are based upon the number of hours worked multiplied by the hourly rates in place for personnel performing the work. We separately invoice for travel-related and other out-of-pocket expenses. Our hourly billing rates for team members are as follows:

<u>Professional</u>	<u>Rate</u>
Mari Reidy, Executive	\$325
Other Executives	\$275 to \$415
Emlyn Neuman-Javornik, Sr. Manager	\$205
Other Senior Managers and Managers	\$170 to \$255
Ron Hickman, Sr. Consultant	\$150
Other Senior and Staff Accountants	\$115 to \$160
Practice Associates	\$75 to \$110



3. Select Testimonials

3. Select Testimonials

Effort Equals Results. “With senior executives available at a moment’s notice for critical decision-making periods, our motto, ‘Effort Equals Results’, certainly describes them.”

Richard J. Peters
Director, Penske Corporation and Managing Director,
Transportation Resources Partners

Glue that holds the deal together. “Crowe was the glue that held the deal together; they are tireless in their efforts to get the job done.”

Larry Morrison
Vice President and General Manager,
Custom Specialty Division
United States Can Company

Crowe not only understands the numbers, but what is behind the numbers. “Crowe professionals know what makes a business work and focus their efforts on these key elements, all in a cost effective manner.”

Michael L. Klofas
Vice President-Mass Mutual
Corporate Investors

Appendix A: Resumes



Emlyn Neuman-Javornik, CPA, CFE

Senior Manager

Business and Governmental Experience

Emlyn Neuman-Javornik is a senior manager in the Forensic Services Group of the Chicago office of Crowe Chizek and Company LLC. She has managed investigations involving private industry, government and not-for-profit organizations. These investigations have included misappropriation of managed investment dollars, payroll fraud, personal use of organizational assets, and embezzlement.

Prior to joining Crowe Chizek, Ms. Neuman-Javornik spent over twelve years with the State of Montana auditing and investigating suspected fraud in state agencies. She has extensive training and experience in financial, federal and state compliance audits, internal audits, and white collar crime detection and prevention. She has audited and investigated activities in state government agencies including the State's Workers Compensation Fund and Board of Investments as well as other executive and judicial branch agencies, as well as higher education units including university main and satellite campuses.

Ms. Neuman-Javornik has worked closely with law enforcement officials and prosecutors to gather evidence, document suspected criminal activity, prepare reports for prosecutorial support and provide testimony for large non-profit organizations, private industry and governments. She has provided consultation to audit management, state agency management and local officials related to the prevention and detection of fraud.

Other projects Ms. Neuman-Javornik has lead include audits of internal controls, compliance audits of state and local laws and federal regulations, and special projects related to financial performance and the assessment of potential fraud risks.

Education and Certifications

Eastern Montana College, Bachelor of Science in Accounting

Certified Public Accountant

Certified Fraud Examiner

Professional Memberships

American Institute of Certified Public Accountants (AICPA)

Association of Certified Fraud Examiners

Greater Chicago Area ACFE Chapter

Appendix A: Resumes



Ron A. Hickman, CPA, CFE

Senior Consultant

Business Experience

Ron Hickman is a Senior Consultant in the Forensic Services Group of the Nashville office of Crowe Chizek and Company LLC. Mr. Hickman has provided forensic accounting and consulting assistance for over thirteen years to clients in several industries including government, not-for-profit and manufacturing, as well as families and individuals.

Mr. Hickman specializes in the area of forensic accounting and fraud investigative services. He has been involved in numerous investigations involving embezzlement, corruption, vendor fraud, employee theft, and fraudulent conveyance of funds. He has lectured on the subjects of fraud detection and investigation, and has been quoted in newspapers on the topic of fraud.

In addition to specializing in forensic services, Mr. Hickman has been involved in financial statement audits and reviews for corporate, government, not-for-profit and professional service clients. He has provided consulting assistance to clients on various accounting and internal control issues. Mr. Hickman has also managed an internal audit function for a government agency responsible for processing in excess of \$25 billion per year in accounting transactions.

Education and Certifications

University of North Alabama, B.S. – Accounting

Certified Public Accountant

Certified Fraud Examiner

Professional Memberships

Association of Certified Fraud Examiners

Middle Tennessee Chapter of Association of Certified Fraud Examiners

Annual Fraud Conference Committee – 2000 to present; President – 2003

Institute of Internal Auditors

Publications

Quoted, "Fraud Spotlighted," *Nashville City Paper*, October 15, 2002.

Presentations

"Benford's Law," Institute of Internal Auditors, Nashville Chapter, Annual Government Auditors Conference, Nashville, Tennessee, January 2004.

"Audit Interviewing," Tennessee Comptroller of the Treasury, In-house training, 1996 – 1997.



Mari C. Reidy, CPA, CFE
Executive

Business Experience

Mari Reidy is the executive-in-charge of the Fraud Investigations Practice within Crowe Chizek's Forensic Services Group. She has provided financial and consulting assistance for approximately thirteen years to clients in several industries including those in manufacturing, distribution, not-for-profit, brokerage, and municipalities.

Ms. Reidy specializes in the area of forensic accounting and fraud investigative services. She has managed numerous investigations involving fraudulent financial reporting, loan fraud, embezzlement, corruption, employee theft, and fraudulent conveyance of funds. She has written and taught on the subjects of fraud prevention, detection and investigation, and has often been quoted in various publications on the topics.

Prior to specializing in forensic services, Ms. Reidy was involved in the management of financial statement and benefit plan audits, the review of corporate, partnership, and individual federal and state tax filings, and the due diligence analysis of target company acquisitions. She has provided significant consulting assistance to her clients on various accounting and reporting issues.

Education and Certifications

Roosevelt University, Chicago, Illinois; B.S.B.A. Accounting
Certified Public Accountant
Certified Fraud Examiner

Professional Memberships

Illinois CPA Society
Illinois CPA Society Consulting Services Executive Committee - 2000 to 2002
Illinois CPA Society Fraud Conference Planning Committee Chair - 2002
American Institute of Certified Public Accountants
Association of Certified Fraud Examiners
Professional Women's Club of Chicago Board of Directors - 2002 to 2004
Bottomless Closet Board of Directors - 2003 to present

Testimony Experience

Securities Investor Protection Corporation vs Spectrum Investment Services, Inc.; United States Bankruptcy Court, Northern District of Indiana, Adv. No. 01-3012/1h, South Bend, Indiana, December 19, 2001; hearing testimony



Michael Vian

Senior Manager

Business Experience

2005 - Present	Crowe Chizek and Company LLC
2002 - 2005	Delphi Corporation, Inc.
2001 - 2002	Stoneworld Company
1987 - 2001	Federal Bureau of Investigation

Michael Vian is a senior manager in the Chicago office of Crowe Chizek's Forensic Services Group. Michael is responsible for conducting and/or consulting on investigations of a financial nature. He has 18 years experience investigating fraud, including allegations of fraud involving employees and external contractors and suppliers, theft involving accounting manipulation or business processes, conflicts of interest between employees and suppliers or contractors, commercial bribery and kickbacks involving employees, and income statement issues which involve management as classified under the Sarbanes-Oxley Act. In addition, Michael has provided consulting related to the reviews of potential internal control deficiencies. This work included directing audit staff on special projects involving internal controls reviews, compliance audits, and other areas of particular interest.

During his employment by the Federal Bureau of Investigation as a financial analyst, Michael reviewed criminal and civil allegations to identify factual and legal issues concerning cases and the evidence needed to prove the alleged specified unlawful activity. He investigated allegations of money laundering, insurance fraud, securities fraud, Internet fraud, bank fraud, bankruptcy, embezzlement, and public corruption. Michael participated in joint investigations with a number of other law enforcement agencies, including the Internal Revenue Service, the Bureau of Alcohol, Tobacco & Firearms, the Arizona Attorney General and other Federal, State and local entities. He has testified a number of times before a Federal Grand Jury, in Federal District Court, and other court proceedings to explain the complex financial analysis conducted and the amount of loss to victims or the U.S. Government in a way that could be easily understood.

Education

University of Phoenix, M.B.A., Finance - 1997

University of Phoenix, B.S.B.A., Accounting - 1995

Phoenix College, Associate of Applied Science, Accounting - 1988

Certifications

International Association of Computer Investigative Specialists

Memberships and Affiliations

American Institute of Certified Public Accountants

Association of Certified Fraud Examiners



Executive

Business Experience

Mr. John Weber has over 14 years experience in public accounting. Mr. Weber, formerly with PTW, has experience with governmental organizations providing auditing and consulting services.

Consulting Engagements

Financial Advisory

- Business Valuations
- Capital Budgeting
- Departmental Costing Analysis
- Litigation Support
- Management of an Internal Audit Department
- Management Recruiting
- Operational and Procedural Audits

Business Process Reengineering

- Procedures Manual Development
- Departmental Re-Structuring
- Transition Auditing

Information Technology

- Needs Analysis/System Implementation
- Fund Structure and Chart of Accounts
- Auditing

Representative Clients

Illinois State Lottery

- Gaming Board
- Student Assistance Commission

National

- Indiana State Lottery Commission
- Kentucky Lottery Corporation**
- Commonwealth of Kentucky
- City of Boulder, Colorado
- City of Dayton, Ohio
- Indiana Bureau of Motor Vehicles

Appendix A: Resumes

- Kentucky Attorney General

Municipalities

- Village of Bensenville* **
- Village of Bolingbrook**
- City of Burbank
- City of Countryside
- Village of Glenwood
- Village of Grayslake
- Village of Gurnee**
- Village of Hillside**
- City of Macomb*
- Village of Westchester*
- City of Yorkville

Counties

- Forest Preserve District of Cook County* **
- Kane County* **
- Will County* **

Special Districts

- Chicago Transit Authority*
- Metra*
- Metropolitan Water Reclamation District of Greater Chicago* **
- PACE*

School Districts

- Arlington Heights School District #25* **
- Evanston Skokie School District #65*
- Macomb Community Unit School District #185* **

Not-for-Profit

- CASA Central
- Conference USA
- Action for Children*
- Family Service and Mental Health Center of Oak Park and River Forest
- Jobs For Youth/Chicago*
- Proviso Council on Aging*
- Three Fires Council Inc. Boy Scouts of America
- UIC- Mile Square Health Center

State of Illinois

- Department of Revenue
- Department of Professional Regulation
- Department of Corrections
- Educational Facilities Authority

Appendix A: Resumes

- Environmental Protection Agency

*Federal Compliance audit performed in accordance with OMB circular A-133

**Current Recipient of GFOA or ASBO Certificate of Achievement for Excellence in Financial Reporting

Education

Elmhurst College, Elmhurst, Illinois; *Bachelor of Science in Accounting*

Certifications

Certified Public Accountant, Illinois, Indiana, Texas

Memberships and Affiliations

American Institute of Certified Public Accountants – Government Audit Quality Center Representative

Illinois CPA Society – Ethics Committee

Illinois Government Finance Officers Association

To the Executives of
Crowe Chizek and Company LLC
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe Chizek and Company LLC (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2004. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Crowe Chizek and Company LLC in effect for the year ended June 30, 2004, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

Seattle, Washington
October 22, 2004

Moss Adams LLP

Description of the Peer Review Process

Overview

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objectives of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests and directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains peer review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, these documents are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.

Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

To plan the review of Crowe Chizek and Company LLC, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its

practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

Performing the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's system of quality control. The engagements selected for review included engagements performed under the Government Auditing Standards, audits performed under FDICIA, and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for the elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.

ATTACHMENT 'A'
NON-COLLUSION AFFIDAVIT

State of Illinois)
County of Cook)ss.

MARI C. REIDY being first duly sworn, deposed and says that:
(Authorized Agent)

- (1) He/She is the Representative (Owner, Partner, Officer, Representative or Agent) of (Institution name) Crow Creek + Company LLC, the proposer that has submitted the attached proposal;
- (2) He/She is fully informed regarding the preparation and contents of the attached proposal along with all pertinent circumstances regarding such proposal;
- (3) Such proposal is genuine and is not a collusive or sham proposal;
- (4) Neither the said proposer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other proposer(s), firm or person to submit a collusive or sham proposal in connection with the work for which the attached proposal has been submitted; or to refrain from bidding in connection with such work; or have in any manner, directly or indirectly, sought by person to fix the price or prices in the attached proposal or of any other proposer(s), or to fix any overhead, profit, or cost elements of the proposal price or the proposal price of any other proposer(s), or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against another proposer(s), or any person interested in the proposed work;
- (5) The price or prices quoted in the attached proposal are fair and proper and are not tainted by any collusion, conspiracy connivance, or unlawful agreement on the part of the proposer or any other of its agents, representative, owners, employees or parties in interest, including this affiant.

Signed, sealed and delivered
in the presence of

Marilyn K. Hopkins
Witness
[Signature]
Witness
03/13/2006.
Date

Mari C. Reidy
Signature
MARI C. REIDY
Printed Name
3/13/06
Date

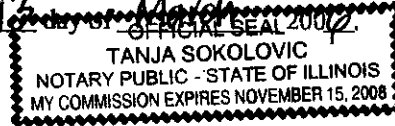
ATTACHMENT 'B'
NON-COLLUSION AFFIDAVIT

ACKNOWLEDGMENT

State of Illinois)
County of Cook) ss.

BEFORE ME, the undersigned authority, personally appeared (name) MARICREIDY to me and known by me to be the person described herein and who executed the foregoing Affidavit and acknowledged to and before me that (name) MARICREIDY executed said Affidavit for the purpose therein expressed.

WITNESS my hand and official seal this 13 day of March 2008.



NOTARY PUBLIC, State of ~~Florida at Large~~ ILLINOIS

A handwritten signature in black ink, appearing to read "Tanja Sokolovic", written over a horizontal line.

Signature of Notary Public:

Also Print, Stamp or include Commission number and expiration date if not included in the Stamp.

Type

- ☒ Personally Known to me or
() Produced Identification

Type of I.D. Produced

() DID take an oath, or () DID NOT take an oath.

ATTACHMENT 'D'
VENDOR/BIDDER DISCLOSURE

I, MARI C. REIDY, being first duly sworn state that: The full legal name and business address of the person(s) or entity contracting with the Town of Davie ("Town") are as follows (Post Office addresses are not acceptable):

Name of Individual, Firm, or Organization:

CROWE CHIZEK & COMPANY LLC

Address:

70 W. MADISON, STE 700

CHICAGO, IL 60602

FEIN

35-0921680 (SEE ATTACHED
FORM W-9)

State and Date of Incorporation

N/A

OWNERSHIP DISCLOSURE AFFIDAVIT

1. If the contract or business transaction is with a corporation, the full legal name and business address shall be provided for each officer and director and each stockholder who directly or indirectly holds five percent (5%) or more of the corporation's stock. If the contract or business transaction is with a trust, the full name and address shall be provided for each trustee and each beneficiary. All such names and address are as follows (Post Office addresses are not acceptable):

Names, Addresses, and Titles of Individual Who Will Lobby:

Full Legal Name	Address	Ownership
<u>N/A</u>		<u>%</u>
		<u>%</u>
		<u>%</u>
		<u>%</u>

2. The full legal names and business addresses of any other individual (other than subcontractors, materialmen, suppliers, laborers, and lenders) who have, or will have, any legal, equitable, or beneficial interest in the contract or business transaction with the Town are as follows (Post Office addresses are not acceptable):

Full Legal Name	Address
<u>Crowe Chizek & Company LLC is</u> <u>a wholly-owned subsidiary of Crowe</u> <u>Group LLP - see attached for ownership.</u> <u>LLP.</u>	

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2

Name (as shown on your income tax return)

CROWE GROUP LLP

Business name, if different from above

CROWE CHIZEK AND COMPANY LLC

Check appropriate box: ☐ Individual/
Sole proprietor ☐ Corporation ☒ Partnership ☐ Other ▶

☐ Exempt from backup
withholding

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

SOUTH BEND, IN 46624-0007

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number
3 5 0 9 2 1 6 8 0

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

**Sign
Here**

Signature of
U.S. person ▶

Date ▶

CROWE CHIZEK AND COMPANY LLC (EIN 13-4244987) IS A WHOLLY-OWNED SUBSIDIARY OF CROWE GROUP LLP AND HAS ELECTED TO BE A DISREGARDED ENTITY FOR FEDERAL TAX PURPOSES. THE DISREGARDED ENTITY'S EIN IS USED SOLELY FOR PAYROLL AND SALES/USE TAX PURPOSES. ALL OTHER REPORTING REQUIRES THE USAGE OF CROWE GROUP LLP'S EIN PER THE PROVISIONS OF THE INTERNAL REVENUE SERVICE'S REVENUE RULING 2001-61.

Crowe Chizek and Company LLC - Ownership

Crowe Chizek and Company LLC is a wholly-owned subsidiary of Crowe Group LLP. The following is the ownership structure of Crowe Group LLP.

Herr	Robert	L	1.3410%
Woodka	Joseph	M	1.2686%
Arford	Frank	B	1.2538%
Wilhelm	William	J	0.5012%
Gobdel	Bruce	C	1.2196%
Hildebrand	Mark	L	1.2196%
Bouffard	Donald	E	1.0989%
Obyc	Dennis	L	1.1465%
Brown	James	L	1.1720%
Williams	Wes		1.1663%
Geyer	Robert	C	1.1720%
Ebersole	Clarence	R	1.1375%
Allen	Charles	M	1.1375%
Jarrett	David	A	1.1375%
Knibloe	William	G	1.0492%
Nagengast	Stephen	B	0.9306%
Milligan	Gary	K	1.1032%
McGrath	Kevin		1.1032%
McKenna	Charles	B	1.2275%
Hackney	Jeffery	A	1.1346%
Lazard	Robert	W	1.0611%
Bauters	Fred	J	1.0611%
Pajakowski	Stephen	E	1.0611%
Cesarz	Theodore	E	1.1821%
Sompels	Ronald		1.0005%
Van Donk	Rudy		1.0240%
Rarick	Michael	I	1.0240%
Powers	James	L	1.0005%
Hochberg	Gene	A	1.0240%
Gipson	Donald	D	0.9728%
Kippe	Jodi	L	0.7242%
Devlin	Diana	J	0.3012%
Kendall	John	G	0.9267%
Pierce	Cynthia	A	0.9011%
Law	Michael	G	1.0240%
Taylor	Mark	A	0.3571%
Scheidler	Joseph	A	0.9267%
Spohrer	George	A	0.9267%
Nisley	Douglas	E	0.8622%
Bates	Robert	L	0.8182%
Lawrence	David	F	0.2425%
Mackowiak	Larry	A	0.7768%
Shaffer	Marc	S	0.7768%
Czarnecki	John	A	0.8622%
DeGroot	Robert	R	0.0858%
Fox	Gary	A	0.5170%
Markel	William	A	0.7768%
Ridenour	James	M	0.9905%

Crowe Chizek and Company LLC - Ownership

Ingley	David	M	0.9490%
Andrews	Steven	C	0.7768%
Reinhard	Edmund	J	0.0980%
Hills	Marvin	D	0.1023%
Ohl	Kevin	J	0.9490%
Reynolds	Hugh	E	0.9728%
Mills	Daniel	W	0.8157%
Ivey	Scot	D	0.0951%
Laetsch	Charles	A	0.7242%
Christner	Mark	L	0.0973%
Sullivan	Craig	D	0.3527%
Farrell	John	G	0.0980%
Allison	Anthony	J	0.6493%
Kloostera	Brian	J	0.7768%
Yoder	Craig	E	0.1369%
Wilson	Barry	T	0.5588%
Wyse	Andrew	L	0.1319%
Stempak	James	E	0.6493%
Dobis	Robert	S	0.6493%
Frederick	Jeffrey	A	0.2374%
Ehrman	Brent	M	0.5170%
Wittenbach	Jo Ann	B	0.0951%
Walkotten	Mark	A	0.5127%
Stevens	Kenneth	J	0.3949%
Childs	Eric	L	0.0912%
Percy	Michael	J	0.5588%
Camp	Christophe	S	0.0973%
Spieker	David	E	0.8622%
Dolinar	James	A	0.8622%
Funkhouser	Craig		0.9490%
Thomas	Paul	S	0.8622%
Winter	Donald	A	0.5127%
Thwaites	David	E	0.5127%
Ralph	Ronald	L	0.4803%
Horvath	David	S	0.0951%
Calvey	Raymond		0.4958%
Delgado	David	G	0.0973%
Santucci	Joseph	P	0.5588%
Ahmed	Arshad		0.3927%
Thornton	David	A	0.2313%
Tomaszewski	Joseph		0.0753%
Nickerson	Scott	R	0.1203%
Sherwood	Sidney	S	0.1203%
Gerschoffer	Steve		0.0753%
Claytor	Michael	A	0.9011%
Yates	Michael	G	0.0951%
Hurlburt	John		0.0753%
Morrison	Kevin		0.0753%
Goodman	Mark	E	0.4453%
Farrar	Robert	L	0.1319%
Wodka	Alexander	J	0.8622%
Berti	Robert	R	0.9011%
Campbell	Wendy	L	0.1203%

Crowe Chizek and Company LLC - Ownership

Vande Berg	Thomas		0.1099%
Chaudhary	Rajeev		0.7242%
Livingston	Todd	A	0.5588%
Ueltschy	Richard	G	0.8182%
Keever	David	W	0.1023%
Bliha	Rick	F	0.4460%
LaBelle	Brett	E	0.4460%
McClure	Gregory	J	0.0858%
Skomp	John	R	0.1297%
Sullivan	Michele	P	0.3498%
Blosser	Mark		0.0753%
Murphy	Thomas	E	0.1203%
Cole	Josh		0.0753%
Newton	Rebecca	J	0.2374%
Guyer	Randall	W	0.7242%
Bennett	Mary	L	0.3520%
Herman	Mindy		0.0753%
Tyler	Thomas	J	0.0951%
McClure	Rory	T	0.8553%
Lux	Michael		0.0753%
O'Connell	Frank	J	0.4331%
Stump	Greg	A	0.1203%
Osborne	Paul	R	0.3949%
Riley	Simon		0.0753%
Saloom Jr	Joseph	T	0.0912%
Hopkins	Marilee	K	0.5891%
Burke	Jennifer	F	0.2313%
Hemmes	Kim	A	0.9714%
Kane	Jeremy		0.0912%
Johnson	Terry	J	0.2313%
Uminski	Dean	J	0.2313%
Hovorka	Kevin	J	0.3498%
Brizendine	William	B	0.8406%
Bowling	David	M	0.8406%
Olliges	Edwin		0.1023%
Probus	William	D	0.6932%
Stewart	Gary	L	1.0142%
Jennings	Stephen	C	0.3498%
Brutscher	G. Anthony		0.0858%
Hamilton	John	A	1.1623%
Arch	Terry		0.6150%
Chahine	Hicham		0.0753%
Barrett	Christophe	J	0.1257%
Miller	Scott	C	0.2259%
Gerke	William	M	0.5023%
Jones	Thomas	J	0.5023%
Kuyk III	Charles	F	0.1257%
Baer	Mark	A	0.2259%
Vander Baan	Sheryl		0.0912%
Criniti	Frank		0.4334%
Giel	Robert	L	0.4320%
Keber	Kenneth	J	0.5116%
Hollowell	Michael		0.3498%

Crowe Chizek and Company LLC - Ownership

Mullaly	Timothy	D	0.5613%
Heathcott	Dickie		0.7473%
Lewter	Marty		0.0753%
Fulton	James	B	0.1203%
Thomas	Ernest	M	0.1629%
Rieger	Lawrence	A	0.7401%
Julien	Frederick	W	0.6723%
Hall	Timothy	A	0.2360%
Kurkowski	John		0.4176%
Kotzen	Richard	H	0.4183%
Marineau	Paul	K	0.0894%
Honhart	Stephen	C	0.0894%
Buechler	William	F	0.1899%
Colwell	John	E	0.8121%
Coyne	Michelle	L	0.1899%
Dillard	Dwayne	E	0.1899%
McCarty	Phillip	D	0.1899%
McKerley	Marcus	R	0.8121%
Miller	Anthony	R	0.2245%
Morton	Larry	P	0.8121%
Rose	Kevin	D	0.0886%
Tolleson	Marc	A	0.1899%
Williams	James	L	0.8121%
Wills	Kenneth	L	0.5959%
Belman	Bruce		0.0753%
Nuehring	Bert		0.4320%
Pandolfi	James		0.6121%
Weber	John		0.2518%
Fisher	Kent		0.0731%
Meyer	Gregory	A	0.1636%
Antonetti	Michael		0.0346%
Chan	Warren		0.0346%
DeWael	Brad		0.0346%
Franz	Phil		0.0346%
Garmong	Sydney		0.0346%
Giammalvo	Michael		0.0346%
Granberg	Mike		0.0346%
Keller	Brian		0.0685%
Miller	Louis		0.0346%
Owings	Jeanne		0.0346%
Reidy	Mari		0.0346%
Repins	Pat		0.0346%
Richards	Todd		0.0346%
Sarros	Mark		0.0346%
Schrock	Doug		0.0346%
Strammello	Steve		0.0346%
Watts	Bill		0.0346%
Zeiler	Jon		0.0346%
Totals			100.000%

By: Mari C Reidy
Signature of Affiant
MARI CREIDY
Print Name

Date: 3/13/06

SUBSCRIBED AND SWORN TO or affirmed before me this 13 day of March
2006, by TANJA SOKOLOVIC, he she is personally known to me or has
presented _____ as identification.

[Signature]
OFFICIAL SEAL
Notary Public, State of Illinois
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES NOVEMBER 15, 2008
ILLINOIS

Print or Stamp of Notary

614682
Serial Number

My Commission Expires: 11/15/2008

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